Environmental and Utility Services

Primary Partners

Environmental Services

Transportation

Mission: *Provide environmental leadership through policy development, program design and reliable utility services*

In recent years, the City Council has taken several steps to strengthen the City's position of environmental stewardship, including adoption of the Urban Environmental Accords, and revisions to the Green Building Policy. Most recently, the City Council adopted the Green Vision Goals in October 2007. Over the next 15 years, implementation of the Green Vision's ten goals will transform San José into one of the most environmentally sustainable communities in the world while creating substantial job growth and economic opportunity for residents. These goals will better position the City to continue its evolving position as a leader in sustainability and environmental protection.

The services and programs of the Environmental and Utility Services (E&US) CSA provide integral support to achieving the Green Vision goals. By providing reliable infrastructure and sound environmental programs and services for residents and businesses, the community becomes an increasingly sustainable and attractive place to live, work, and play. The programs and services delivered by the E&US CSA consistently generate high customer satisfaction ratings, are innovative and efficient, and are often the recipients of local, state, and national awards. The continued maintenance and expansion of these programs and services are necessary components of the City's economic growth and vitality.

The 2008-2009 Business Plan and Investment Strategy includes new or expanded programs, with a particular focus on solid waste reduction and alternative energy sources and energy conservation, to provide the resources needed to support and achieve the Green Vision, as well as to continue to meet or improve service delivery demands. In addition, the CSA continues its focus on water quality regulations and addressing the significant short- and long-term infrastructure rehabilitation and replacement needs of the San José/Santa Clara Water Pollution Control Plant (Plant) and the sanitary and storm sewer collection and conveyance systems.

CSA OUTCOMES

- Reliable Utility Infrastructure
- Healthy Streams, Rivers, Marsh and Bay
- "Clean and Sustainable" Air, Land and Energy
- Safe, Reliable and Sufficient Water Supply

Budget at a Glance

	2007-2008 Adopted	2008-2009 Adopted	% Change
Total CSA Budget (All Funds)	$207,095,037	$220,009,731	6.2%
Total Authorized Positions	624.88	639.18	2.3%

Budget & Performance Highlights

- **Solid Waste Diversion** – An 8% increase in multi-family dwelling (MFD) rates will fund sorting of garbage to collect recycling waste and is estimated to achieve an approximate 70% diversion rate in the MFD sector. Additional AB939 revenue will fund the implementation of an Organics Resource Management Program to support organics diversion in the commercial, industrial, and institutional sectors.

- **Sanitary Sewer Condition Assessment and Pump Station Improvements** – The 2009-2013 Adopted Capital Improvement Program reflects funding to assess the physical condition of the City's 2,200 miles of sanitary sewer pipe network and 14 pump stations. This program will establish a basis for identifying funding needs and priorities and will result in improvements to the sanitary sewer preventative maintenance program.

- **Equipment Replacement** – In order to improve operational efficiency, replace outdated equipment, and reduce maintenance costs, equipment at the Treatment Plant and in the Department of Transportation will be replaced, including: trash pumps, dredges, vacuum trailers, utility trucks, crane trucks, vactor trucks, and street sweepers.

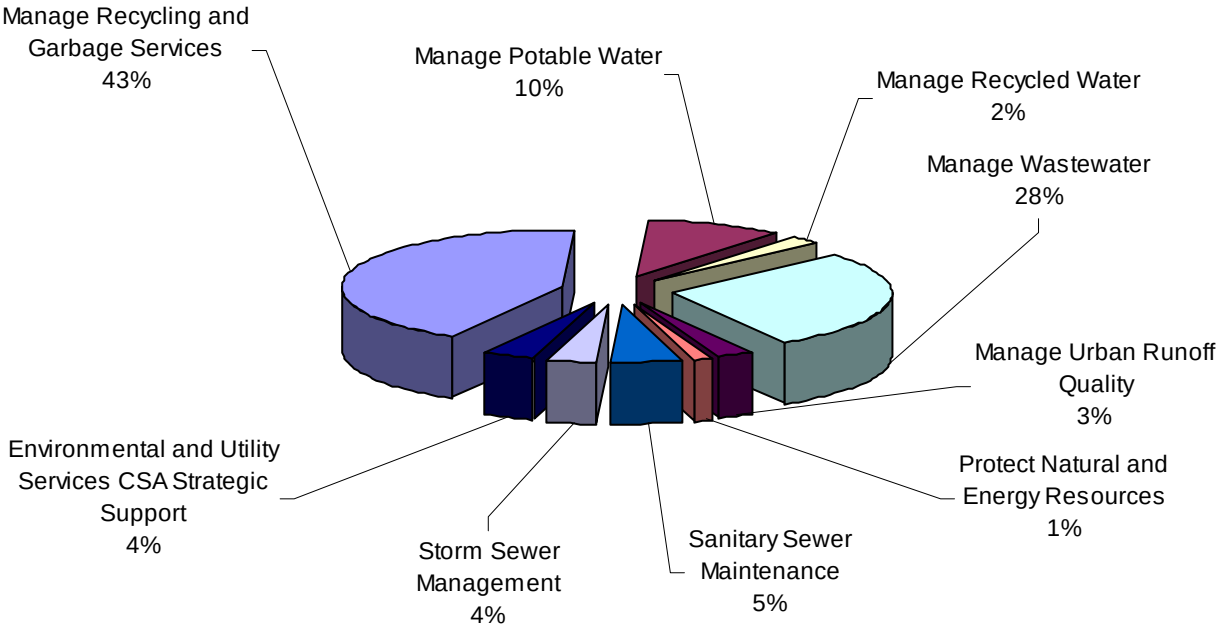
- **Sewer Service and Use Charge Rate Increase** – A 15% rate increase was approved for the Sewer Service and Use Charge. This rate increase will primarily fund an expanded capital program at the Treatment Plant, enhancements to the Sanitary Sewer Capital Program, and equipment replacement. The impact on single-family residential customers will be an increase of approximately $3.53 per month.

- **Storm Sewer Infrastructure Rehabilitation** – Storm sewer infrastructure continues to require significant maintenance and replacement. The 2009-2013 Adopted Capital Improvement Program reflects: continued funding to replace or rehabilitate the older pump stations to reduce the risk of localized flooding; a fourth year of funding for the Neighborhood Storm Drainage Improvements project to address drainage concerns along special corridors; and funding for Storm Inlet/Outfall GIS mapping.

- **Stormwater Permit Compliance and Rate Increase** – A reserve of $2.9 million was established in the Storm Sewer Operating Fund to provide adequate funding to implement the 2008 permit requirements. The Tentative Order was issued in December 2007 and City staff is continuing to participate in negotiating the final permit with the Regional Board with adoption expected in the fall. Storm sewer rates will be raised in 2008-2009 to address the increased demands of implementing the stormwater permit requirements as well as fund system infrastructure needs. The rate increase results in a monthly increase of $1.35 for single-family households.

- **Wholesale Water Cost Increases** – Due to an increase to the cost of wholesale water from the Santa Clara Valley Water District and the San Francisco Public Utilities Commission, as well as costs related to staffing needs for the Integrated Billing System and the Customer Contact Center, and the maintenance of required reserve levels, Muni Water rates will increase by 8.8%.

2008-2009 Total Operations by Core Service



City Service Area Budget Summary

	2006-2007 Actual 1	2007-2008 Adopted 4	2008-2009 Forecast 3	2008-2009 Adopted 4	% Change (2 to 4)
Dollars by Core Service					
Manage Potable Water	$ 18,935,912	$ 21,763,442	$ 22,555,863	$ 22,553,527	3.6%
Manage Recycled Water	3,122,897	4,233,192	4,331,343	4,331,343	2.3%
Manage Recycling and Garbage Services	68,325,090	83,670,498	88,004,562	93,281,311	11.5%
Manage Urban Runoff Quality	5,095,813	6,172,472	5,849,266	5,879,266	(4.8%)
Manage Wastewater	53,065,570	59,927,754	59,440,234	61,736,030	3.0%
Protect Natural and Energy Resources	1,274,952	2,939,340	2,503,814	3,001,073	2.1%
Sanitary Sewer Maintenance	8,810,887	11,572,205	11,002,873	11,663,343	0.8%
Storm Sewer Management	6,019,914	6,898,060	6,807,438	7,783,897	12.8%
Strategic Support	8,763,931	8,565,750	8,792,356	8,790,729	2.6%
Subtotal	**$ 173,414,966**	**$ 205,742,713**	**$ 209,287,749**	**$ 219,020,519**	**6.5%**
Other Programs					
City-Wide Expenses	$ 1,361,253	$ 1,352,324	$ 809,580	$ 989,212	(26.9%)
Subtotal	**$ 1,361,253**	**$ 1,352,324**	**$ 809,580**	**$ 989,212**	**(26.9%)**
Total	**$ 174,776,219**	**$ 207,095,037**	**$ 210,097,329**	**$ 220,009,731**	**6.2%**
Authorized Positions	**596.63**	**624.88**	**623.38**	**639.18**	**2.3%**

Current Position *How are we doing now?*

- During summer of 2007, discharge from the Treatment Plant met or exceeded all National Pollution Discharge Elimination System (NPDES) Permit requirements at 102 million gallons per day (mgd), well below the 120 mgd summer flow trigger.
- South Bay Water Recycling (SBWR) use for summer 2007 averaged 14.4 mgd.
- Solid waste recycling and landfill diversion was 61% for 2005 (latest State certified number), among the highest rates achieved by any large city in the country.
- City-wide facility and utility energy conservation was 20% for 2006-2007 compared to the baseline year of 2001.

Selected Community Indicators *What external conditions influence our strategies?*

- New Developments – Increases to the Treatment Plant dictate implementation of new flow reduction programs and Plant expansion when the influent flow reaches 142 million gallons per day.
- Recycled Water Use = 9.0 million gallons per day on an annual basis – Indicates growth in use of recycled water for irrigation, agriculture, and industrial use.
- Percent of streets experiencing severe parking impacts that prevent effective street sweeping = 10%.
- Solid waste landfill volumes – Indicates success of diversion programs. State mandate = 50% diversion.
- Recycling and diversion rates of the different sectors of the waste stream; e.g. Single Family Dwelling, Multi-family Dwelling, Commercial, Construction and Demolition – Indicates which areas need to focus recycling education efforts, new programs, and stronger Zero Waste infrastructure for materials handling and processing.
- Global climate change and air quality.
- Population growth – Indicates the need for the expansion of utility services as well impacting natural resources.
- Urban Tree Canopy – Provides cooling in summer and air and water quality improvements.

Trends / Issues / Opportunities *What developments require our response?*

CSA-wide

- Aging storm sewer, sanitary sewer, and Treatment Plant infrastructure results in increased maintenance and rehabilitation/replacement costs. A recent evaluation of the infrastructure condition at the Treatment Plant identified an estimated $250 million in high-priority projects to be completed within the next five years and preparation of a Master Plan for long-term needs and improvements.
- Rising natural gas, electricity, and fuel costs have greatly increased expenses for the Treatment Plant and the Municipal Water System and are impacting customers' solid waste collection rates and fees.
- Meet the potable water, recycled water, sanitary sewer, storm sewer, and treatment plant infrastructure needs for the North San José Development Plan, Evergreen Plan, and Coyote Valley Specific Plan.
- Develop safe disposal alternatives for unused and expired medications.
- Play a leading role in the current statewide effort to develop effective public policy for product stewardship and extended producer responsibility.

Wastewater

- In order to contribute to the Green Vision Goal #3, *receive 100% of the City's electrical power from renewable resources*, the Plant will continue to increase the portion of its power from renewable resources, currently at 60%.
- Work with co-permittees, Regional Water Quality Control Board (RWQCB), and stakeholders to develop new National Pollutant Discharge Elimination System (NPDES) Wastewater Permit with feasible and reasonable provisions, to be renewed in 2008.

Trends / Issues / Opportunities — *What developments require our response? (Cont'd.)*

Wastewater (Cont'd.)

- Participate with Bay Area Clean Water Agencies (BACWA) and the RWQCB to develop and implement the City's Sanitary Sewer Management Plan (SSMP) to meet the requirements of the RWQCB. As an outcome of the Plan, a benchmarking study may result in a demand for more frequent proactive maintenance activities, increasing the operations and maintenance costs of the City's sewer system.
- Regulatory development of Total Maximum Daily Loads (TMDLs) for several pollutants, such as mercury and PCBs, will impact the NPDES permits for the Treatment Plant and stormwater.
- The US Environmental Protection Agency's 2005 Administrative Order requires actions focused on enhancing and improving the regulation and inspection of companies that discharge wastewater to the San José/Santa Clara Water Pollution Control Plant.
- Participate in the State and federal planning process for restoration of the South Bay Salt Ponds (16,500 acres) to ensure that the City's and Treatment Plant's interests are considered, including protecting Alviso and the Treatment Plant from any potential tidal impacts, ensuring that Moseley Tract and Pond A18 issues are considered and addressed, and to provide endangered species habitat.

Water Supply

- Green Vision Goal #6, *recycle or beneficially reuse 100% of wastewater (100 mgd)*, will require significant increases in recycled water utilization over the next 15 years.
- Continue water conservation and water recycling to ensure an adequate supply, in light of continuing population growth, uncertainty about the Sierra snow pack, the Delta delivery system, and global warming's effects on water supply.
- Proposition 84, passed by voters in November 2006, provides $5.4 billion to State and local agencies for improving natural resources and water programs including State projects and grants for flood control, safe drinking water, improving water quality, integrated water management, water planning, and sustainable communities.
- Influence water supply planning through participation in the Bay Area Water Conservation and Supply Agency.
- Partnership with Santa Clara Valley Water District (District) for operation of South Bay Water Recycling (SBWR) System. The City and District are working on several fronts on issues pertaining to recycled water including: advanced treatment of recycled water; expansion of uses, irrigation of redwood trees and other sensitive plants; and securing federal and State grants.

Watershed Protection

- Work with co-permittees, RWQCB, and stakeholders to implement new NPDES Stormwater Permit provisions.
- Continue participation in the Santa Clara Valley Urban Runoff Pollution Prevention Program and the Watershed Management Initiative to leverage resources to meet water quality protection objectives and stormwater permit requirements.
- Increasing regulatory and stakeholder interest in stream restoration and addressing the watershed impacts of previous land development.
- Increasing stakeholder interest in addressing watershed and community impacts of litter and trash in creeks.
- Continue to work with the Santa Clara Valley Water District, regulators, and other stakeholders to evaluate how stormwater impacts may be addressed within streams and on a larger scale rather than project by project.
- Participate in the Shoreline Study to ensure flood protection for the City and Treatment Plant.
- Maintenance of a healthy tree canopy in our neighborhoods as a means of intercepting stormwater.
- Examining the opportunities for onsite stormwater retention to supplement water supply.

Trends / Issues / Opportunities — *What developments require our response? (Cont'd.)*

Solid Waste

- Zero Waste Master Plan in development to significantly increase diversion and improve recycling effectiveness throughout the commercial and residential solid waste and recycling programs, with particular emphasis on evaluating opportunities to maximize diversion through a commercial solid waste system redesign.
- Take advantage of new local recycling facilities coming online and new technologies to pilot recycling or composting organic wastes (i.e. food waste in digesters).
- Construction and Demolition (C&D) waste continues to be a significant portion of the City waste stream. Develop policies and programs for additional C&D diversion.
- Improve neighborhood cleanliness by continuing to address parking impacts on street sweeping effectiveness.
- Partner with large venues, special events, and schools to set up food waste composting and other recycling programs as a means of reducing disposal costs.
- The impact of waste diversion on greenhouse gas emissions is an emerging focus of state and federal policy makers.
- Advance the City Green Vision by collaborating with local hauling companies to convert diesel trucks to alternative fuels like bio-diesel and/or fuel cell to reduce green house gas emissions.
- Develop the Las Plumas Eco-campus to be a showcase for environmental programs and environmental design.

Sustainability

- Provide leadership in the implementation of the City's Green Vision.
- The Urban Environmental Accords provide an additional driver for City environmental initiatives and opportunity to showcase City leadership.
- Commercial sector is embracing green and sustainable policies and practices, providing significantly increased opportunities for partnership.
- Implementation of Green Vision Goal #9, *Plant 100,000 new trees and replace 100% of our streetlights with smart, zero-emission lighting*, will expand the urban forest thereby decreasing energy demand, urban runoff, and pollution.
- Expand the Environmental Management System within the Environmental Services Department to analyze, control, and reduce the environmental impact of the Department's activities, products, and services and operate with greater efficiency and control.
- Enact City Procurement Policies that reduce waste generation, energy consumption, and greenhouse gas emissions such as limiting purchase of water in single-use disposable bottles; evaluate banning disposable packaging City-wide.
- Silicon Valley Energy Watch Partnership with PG&E, a three year grant program, will continue to provide extensive energy efficiency education and outreach to the community.
- Recent trends in energy policy and costs have encouraged investment in "green" technologies such as solar, wind, biofuels, and nanotechnology applications.
- San José can help reduce the State's contribution to climate change by developing integrated strategies that will reduce traffic congestion, criteria air pollutants, and emissions of greenhouse gases through energy efficiency, exploring the use of renewable energy sources, and introducing alternative fuel vehicles through the Green Fleet Policy.
- The City's Green Building Program will provide ongoing benefits and savings in the operations and maintenance of City facilities.
- With the adoption by the State of the California Solar Initiative, opportunities to use solar and other renewable energy technologies will be analyzed for adoption by the City.
- Increasing State and federal support and subsidies for development and deployment of renewable energy technologies impacts the availability and cost-effectiveness of technology options for meeting City long-term energy and climate goals.
- The Environmental Services Department, now operating as a certified Green Business, is assisting other City departments in achieving certification, including City Hall, which was certified in August 2006.

Policy Framework *What policies and regulations guide our strategies?*

CSA-wide

- San José Green Vision – A comprehensive 15-year strategy to promote environmental responsibility that makes financial sense and stimulates economic opportunity.
- Urban Environmental Accords – Environmental issues that the City has agreed to address to enable sustainable urban living and improve the quality of life for residents of San José in the areas of: energy, waste reduction, urban design, urban nature, transportation, environmental health, and water.
- Environmental Policy – Establishes the E&US CSA's commitment to establish an environmental management system, continual improvement in the way City activities impact the environment, pollution prevention and compliance with relevant laws and regulations.
- Green Vision Goal #7, *adopt a General Plan with measurable standards for sustainable development* – The San José Envision 2040 General Plan establishes goals and policies for infrastructure management and solid waste and level of service goals for sewage treatment, sanitary and storm sewers and flood protection.
- Green Vision Goal #8, *ensure that 10% of public fleet vehicles run on alternative fuels* and the Green Fleet Policy – Guide how we as a city manage our diverse fleet of both vehicles and heavy equipment. In it, the City commits to purchase and use the lowest emission vehicle or equipment item possible, while taking into account the vehicle's life-cycle costs and the ability to support City operations and services.

Wastewater

- Sanitary Sewer Master Plan – Identifies and prioritizes capacity improvements to the City's sanitary sewer collection system in order to provide reliable service to support the City's General Plan.
- NPDES Wastewater Permit – Defines the objectives the City must meet and guides pollution prevention and flow reduction program development to ensure the wastewater treatment plant meets conditions that protect the San Francisco Bay from contaminants and conditions that could negatively impact water quality.
- Council Policy on the Use of Plant Buffer Lands – Framework for decisions on use of the Treatment Plant's buffer lands will form a foundational document for the Plant Master Plan process.

Water Supply

- Green Vision Goal #6, *recycle or beneficially reuse 100% of wastewater (100 mgd)* – Directs the expansion of the recycled water system.
- Water Policy Framework – Strategic directions for developing and prioritizing work plans and programs that maximize ecosystem protection.

Watershed Protection

- Pollution Prevention Policy – Reduction of the use of pesticides and mercury-containing products in City operations in order to prevent pollution and protect water quality.
- NPDES Stormwater Permit – Defines the programs and objectives the City must meet to minimize pollutant discharge and impacts to local creeks from the storm sewer system.
- Urban Runoff Management Plan (URMP) – Defines how the City will meet the objectives as set forth in the NPDES permit.

Solid Waste Management

- Green Vision Goal #5, *divert 100% of waste from landfills and convert waste to energy.*
- City Adopted Goal of Zero Waste to landfill by 2022.
- City Adopted Goal of 75% diversion from landfills by 2013.

Policy Framework *What policies and regulations guide our strategies? (Cont'd.)*

Solid Waste Management (Cont'd.)

- Urban Environmental Accords Actions #1, 4, 5 and 6 (increase use of renewable energy; establish policy of zero waste to landfills and incinerators; reduce the use of a disposable, toxic or non-renewable product; implement "user-friendly" recycling and composting programs to reduce waste by 20% in seven years.)
- AB939 50% Diversion Mandate – Mandates that the City maintain a landfill diversion rate of 50% or greater.

Sustainability

- Economic Development Strategy and Strategic Initiative Priorities – Establishes the framework for decision-making related to City policy, investments, and partnerships to improve San José's competitiveness and standard of living.
- Green Vision Goals #2, *reduce per capita energy use by 50%*, and #3, *receive 100% of the City's electrical power from renewable resources*, and the City's Sustainable Energy Policy – Guide current and future energy actions. They also provide an integrated, comprehensive guide that decision-makers can use to ensure the energy policies and programs are mutually reinforcing and do not conflict with one another or with other City goals, objectives, and programs.
- Green Vision Goal #4, *build or retrofit 50 million square feet of green buildings*, and the City's Green Building Policy – Guide the construction and renovation of City facilities and identify ways to reduce energy and water use, improve air quality, use recycled materials, and reduce the environmental impact of the City's facilities.
- Sustainable City Major Strategy – Statement of San José's desire to become an environmentally and economically sustainable city by conserving its natural resources for the use of present and future generations, incorporating the City's Green Building and energy policies.
- Environmentally Preferable Procurement Policy – Reduction of environmental impacts through the City's purchase of products with improved environmental performance.

General Plan Alignment

Adopted by the City Council, the San José 2020 General Plan sets forth the vision of San José, reflecting the community values of its residents and business owners. It is a long-range plan identifying the location and intensity of land uses, character of future development and existing neighborhoods, and the overall quality of life in San José.

Other plans (e.g., Sustainable City Policy, Economic Development Strategy, Sanitary Sewer Master Plan) are consistent with the General Plan, providing a greater level of detail as to how to achieve the goals set forth in the General Plan.

The General Plan identifies long-range service goals and policies for:

- Sewage treatment – to ensure development does not exceed the capacity of the Treatment Plant.
- Storm drainage – minimize flooding on public streets and property from storm water.
- Solid waste – exceed 50% waste diversion, maintain 20 years of landfill capacity and provide for recycling at every location where waste is generated.

In light of projected resources, the business plan identifies a five-year goal of:

- Millions of gallons a day (mgd) discharged to the Bay during Average Dry Weather Effluent Flow (ADWEF) season is less than 120 mgd.
- The percentage of utility assets in working condition for storm sewer lines is 99%.

The E&US CSA is participating in the Planning, Building and Code Enforcement Department's Envision 2040 effort to revise the General Plan, to enhance the integration of sustainability principles, and increase alignments between the CSA Business Plan and the General Plan.

Key Strategic Goals & Objectives *Where are we going?*

Outcome 1: Reliable Utility Infrastructure

- **100% Cost-Recovery in Special Funds** – Maintain programs at 100% cost-recovery to ensure financial integrity and fiscal responsibility of funds. A combination of program efficiencies and rate increases will be used to balance expenditures and revenues to keep programs as close to 100% cost-recovery as possible.
- **Rehabilitation and Replacement of Aging Infrastructure** – The utility infrastructure in San José, which include the sanitary sewer system, storm sewer system, the Treatment Plant, and the water distribution system, is aging and requires increased maintenance. The problem is particularly critical at the Treatment Plant where almost $1 billion in infrastructure rehabilitation and replacement in the next 10 to 15 years has been identified. Examples of needs in the next five years include: $55 million in electrical reliability improvements; $17 million in equipment replacements; $27 million in piping and valve replacements; $47 million in structural rehabilitation; and $43 million in digester replacements and improvements. In order to maintain system reliability and minimize maintenance costs, the older infrastructure needs to be rehabilitated or replaced. The Environmental Services Department has retained a consultant to develop a Plant Master Plan to address long-term needs and improvements. For the collection system, $18 million is needed to rehabilitate the existing reinforced concrete pipes and $63 million to upgrade the existing pipe network to support economic development.
- **Maintain the Focus of the Storm Sewer System Capital Program** – Storm sewer infrastructure includes storm drain pipelines, storm drain pump stations, storm outfalls into waterways, and curbs and gutters. In 2005-2006, the capital program focus shifted from large infrastructure for system-wide needs to minor improvements that address localized drainage in residential neighborhoods. Neighborhood storm drainage improvements include storm pump station replacements as well as drainage improvements in Strong Neighborhoods Initiative Areas. A Storm Master Plan and a Storm Drain System Condition Assessment are required to better understand system-wide priority needs and more effectively focus the limited available funding.
- **Improve the Integrity of the GIS Data of the Storm Drain System** – With an annual budget of only $8,000 dedicated to Storm Drain System GIS services, the storm system data is considerably less complete and less accurate than that of the Sanitary Sewer and Municipal Water systems. Phase I of a Storm System GIS project in 2006-2007 enabled staff to improve the database in those respects. Still, the database remains incomplete and in need of further updates. Additionally, the storm GIS data is in a format incompatible with the data of other infrastructure. Special projects, such as a second phase of the above project, and a substantial augmentation of ongoing storm GIS funding are required to bring system data to the level of completeness and accuracy, as well as compatibility, with other infrastructure in this CSA.
- **Move Toward Achieving 75% Landfill Diversion by 2013 and Zero Waste by 2022** – The Zero Waste Master Plan will guide the CSA five-year goals and objectives in the areas of existing and planned infrastructure, including facility upgrades to increase the processing capacity needed to achieve Zero Waste. The CSA will continue to analyze material capacity and the infrastructure development that will be required to handle the waste from San José's growing population and increased diversion goals. Land uses defined in the San José General Plan 2040 will guide needed recycling facility siting possibilities. Furthermore, Recycle Plus contracts expire in 2013, at which time the Residential program will be redesigned for Zero Waste. The CSA will continue to analyze diversion and disposal information, conduct outreach to encourage continued diversion, and improve service delivery and reliability of solid waste collection while maximizing diversion and providing high quality customer services.
- **Continue to Improve Service Delivery and Reliability of Residential Street Sweeping** – The City employs parking prohibition and enforcement on sweep days, as well as education and outreach, as tools to improve the quality of street sweeping in select high parking impact areas. This strategy is proving to be successful in many neighborhoods. The City will continue to work with the community to further identify areas that will benefit from this strategy.

Key Strategic Goals & Objectives ***Where are we going? (Cont'd.)***

Outcome 2: Healthy Streams, Rivers, Marsh and Bay

- **Continue to Meet and Exceed NPDES Wastewater Permit Requirements** – The City's NPDES permit development and management approach identifies the most cost-effective and environmentally beneficial programs. Through technical studies, regional cooperation, and programmatic efforts, the Treatment Plant strives to provide regulatory certainty to the City and discharge community by resolving issues such as copper, nickel, and mercury discharge limits, freshwater flows to the south bay, and marsh mitigation.

- **Continue to Invest in the Recycled Water System to Enhance Water Quality and Reliability** – Recycled water use has been key to diverting flow from the Bay. As recycled water use evolves from irrigation purposes only to include more industrial and commercial customers, it is critical that the reliability of the system in terms of both quality and quantity be enhanced to minimize water interruption and meet increased recycled water demands. The City and the District are partnering on the design and construction of an advanced recycled water treatment facility and associated reservoirs to maintain the high quality of the water as more and more customers are connected to the system. The City and District are continuing to explore additional opportunities for expanding recycled water use.

- **Continue to Meet and Exceed NPDES Stormwater Permit Requirements** – The City conducts activities to limit non-storm water discharges to the storm sewer system and to implement "Best Management Practices" (BMPs) to reduce pollutants such as mercury, pesticides and trash. Activities include implementing BMPs for municipal activities, enforcing State and local regulations, working with new development to minimize pollutants, preparing for the new regional permit, and educating the community on how to protect water quality.

- **Watershed Management Initiative and the Santa Clara Valley Urban Runoff Pollution Prevention Program** – The City continues to take an active role in the Watershed Management Initiative, which provides a rich forum for engaging stakeholders in watershed issues and supports the implementation of initiatives consistent with the Watershed Management Initiative Watershed Action Plan, adopted in 2003. The City will continue participation with other co-permittees as a member of the Santa Clara Valley Urban Runoff Pollution Prevention Program to develop stormwater programs and implement stormwater permit requirements.

- **Develop a Permanent HHW Facility** – The growing list of materials banned from landfills resulted in an increased need for a permanent Household Hazardous Waste (HHW) facility in San José. An EcoPark planned for development on the former Las Plumas warehouse site will include this HHW facility. The campus will additionally serve as a hub for environmentally friendly, green enterprises.

- **Reduce the Impact of Trash in Creeks** – The City undertakes a variety of initiatives to reduce trash entering the storm sewer system and to address the impacts of trash and debris from creekside encampments. The City is partnering with the Santa Clara Valley Water District to leverage resources and is preparing to collaborate with other cities to evaluate opportunities to mount the resources regionally needed to implement a large scale effort to markedly reduce the presence of trash in creeks.

Key Strategic Goals & Objectives ***Where are we going? (Cont'd.)***

Outcome 3: "Clean and Sustainable" Air, Land and Energy

- **San José Green Vision** – The Green Vision, a 15 year effort to accomplish sweeping economic and environmental advances, and its 10 goals were adopted by the Council in October 2007. These goals are a vision which acknowledges that a vital economy is not at odds with a sustainable, healthy environment. Each of the 10 goals offer an opportunity to re-examine current service delivery models, expenditures, investments, and priorities, and to integrate Green Vision elements into existing City processes, programs, and policies. Success will require strategic use of limited resources, and robust interdepartmental cooperation and partnerships with external organizations.

- **Urban Environmental Accords** – The Urban Environmental Accords complement the City's Green Vision goals by addressing water, transportation, local organic foods, environmental procurement, substance bans, and air quality issues. Twelve of the 21 actions included in the Accords are being addressed by the Green Vision implementation plans. Implementation teams are forming for the 11 actions not addressed by the Green Vision and work is underway on all of the actions. Most of the actions have a deadline for completion of 2012 though some, such as the climate change action, have a deadline for completion of 2030.

- **Utilize Green and Sustainable Building Design and Construction Principles in Public and Private Construction** – A vital component towards achieving Green Vision Goal #4, *build or retrofit 50 million square feet of Green Buildings*, is through implementation of the City's Green Building Policy and goals for green building design and construction. In 2007, the City revised the Green Building Policy to ensure achievement of the U.S. Green Building Council LEED Silver standard for all new city facilities larger than 10,000 square feet. The City Council also recommended reviewing how the City's existing buildings could use the LEED for Existing Building green building guidelines, and asked for a program that would provide technical assistance and incentives for the private sector adoption of green building techniques.

- **Promote Energy Efficiency** – The City's Green Vision Goal #2 is to reduce the community's electrical energy use by 50% by 2022. To accomplish this, the City will explore expanding partnerships such as the Local Government Partnership Program with PG&E, funded by the California Public Utilities Commission. This program, the Silicon Valley Energy Watch Program (SVEW), will provide technical assistance, educational events and workshops, and marketing and outreach, to coordinate energy efficiency services within Santa Clara County.

- **Promote Clean, Renewable Energy** – The City's Green Vision Goal #3 aims to have the entire City's electricity use provided by clean, renewable power. In order to accomplish this ambitious goal within the next 15 years, significant investments in and encouragement of the use of renewable energy such as solar, must be made. This may take the form of community outreach and education, innovations in community purchases of power or systems, and new relationships with energy providers or other outside organizations. Investment may also take the form of incentives or other promotions to encourage adoption of new technologies.

- **Issue a Request for Information on Alternative Energy Technologies** – As diversion levels draw closer to Zero Waste, an evaluation of emerging technologies will be required to identify additional diversion opportunities within our waste streams. The technologies may also provide energy generation and reductions in green house gas emissions.

- **Product Stewardship** – The California Integrated Waste Management Board has adopted a Zero Waste goal. It is anticipated that some of the statewide initiatives to reach Zero Waste could influence public policy related to product stewardship and impact City solid waste and water quality programs in the next five years.

Key Strategic Goals & Objectives ***Where are we going? (Cont'd.)***

Outcome 3: "Clean and Sustainable" Air, Land and Energy (Cont'd.)

- **Greening the General Plan** – Standards for sustainable development are being included in the General Plan update, Envision 2040. The energy, water, and solid waste goals are all impacted by, and may impact the direction of elements of the update. The E&US CSA is an active partner in the General Plan update process and will support this objective through identifying funding opportunities, and providing expertise and input as appropriate.

Outcome 4: Safe, Reliable and Sufficient Water Supply

- **Continue to Meet and Exceed Drinking Water Quality Requirements** – The San José Municipal Water System ensures that drinking water delivered to customers meets all applicable federal and State health standards. Water at various locations in the distribution system is tested daily using the latest testing procedures and equipment.
- **Continue to Meet and Exceed Recycled Water Quality Requirements** – The South Bay Water Recycling Program delivers recycled water from the Treatment Plant to customers for reuse in irrigation, landscaping, and other beneficial purposes. Planned upgrades to Treatment Plant facilities through the 2009-2013 Adopted CIP will ensure continued treatment of recycled water to meet customer needs and comply with regulatory requirements.
- **Increase Water Conservation Efforts** – The Water Efficiency Program (WEP) will increase support of the indoor water conservation efforts of the Santa Clara Valley Water District through cost sharing agreements that implement water conservation programs. Water conservation reduces flows to the Treatment Plant and provides water supply benefits, which are needed to support increased population growth as well as the effects of climate change and potential drought on water supply. A city-wide conservation plan is being finalized and will be implemented over the next three years. The CSA is also working on drought contingency plans for the Municipal Water System customers.

Overview

The Environmental and Utility Services CSA will focus its service efforts in 2008-2009 and 2009-2010 on adjusting resources to meet City Council and community priorities, and continue to address an aging utility infrastructure and emerging regulatory requirements. Reliable and efficient utility services and strong environmental leadership both contribute to a strong economy and a sustainable community.

Key Investments & Objectives *How will we accomplish our goals?*

In order to minimize rate increases resulting from prior year cost shifts from the General Fund to Special Funds and from increased program costs, the E&US CSA has identified and implemented numerous efficiency savings and leveraged funds where possible. Despite these efforts, revenues have been, and continue to be, inadequate to address the scope of capital projects necessary to maintain an optimal utility infrastructure, the increasingly stringent and costly regulatory requirements, and increases in contract costs. City Council's conceptual approval of a five-year rate strategy for the Sewer Service and Use Charge in November 2007 provides a first step towards addressing this problem in the sanitary sewer system and at the Treatment Plant.

In order to cover the escalating costs of service delivery, infrastructure rehabilitation and replacement, and regulatory compliance, rate increases are again required for 2008-2009. The storm sewer system, sanitary sewer system, and Treatment Plant are all faced with an aging infrastructure which is in need of critical repairs and rehabilitation. In a draft report, "Infrastructure Condition Assessment" prepared by a consultant, an estimated $997 million in Plant infrastructure needs were identified, of which $250 million are critical. Like the Plant, significant portions of the sanitary sewer and storm sewer systems are over 50 years old and in critical need of rehabilitation or replacement. In order to address these critical needs over the next decade, a Sewer Service and Use Charge rate increase of 15% and a 30% Storm Fee rate increase were approved for 2008-2009. These increases translate into $3.53 and $1.35 per month, respectively, for single-family dwellings (SFD). Additionally, increasingly stringent regulatory requirements are driving compliance costs up.

A rate increase of 8.8% was approved for the Municipal Water System to cover anticipated wholesale water cost increases, continued investment in the capital program, and for the Integrated Billing System (IBS). In order to fund the cost-of-living adjustments associated with the garbage and recycling hauler contracts, a rate increase of 4%, or $1.15 for SFDs using a 32-gallon cart, was approved for the single-family Recycle Plus program. An 8% increase for multi-family units was approved to cover program changes to increase landfill diversion.

Outcome 1: Reliable Utility Infrastructure

Year 1: 2008-2009 – *Planned Service Strategies*

San José/Santa Clara Water Pollution Control Plant Infrastructure Improvements

In order to address critical infrastructure needs at the Treatment Plant, the following capital improvement program projects and operating budget augmentations were approved:

- A one-time addition of $1.1 million to cover equipment replacement costs of dredges, pumps, utility trucks, and other heavy equipment.
- Due to the substantial increase in capital projects at the Plant over the next 10 to 15 years, the addition of four positions was approved in order to provide engineering support and ensure the timely completion of projects.

Plant Staffing

- A two-year position was approved in the Human Resources Department to develop and implement a succession plan for the Plant. This plan will be used as a template for succession planning development city-wide.
- A position was added to implement and manage a comprehensive technical training program at the trades level to ensure employee knowledge, safety, work quality, and efficiency.

Key Investments & Objectives ***How will we accomplish our goals? (Cont'd.)***

Outcome 1: Reliable Utility Infrastructure (Cont'd.)

Year 1: 2008-2009 – *Planned Service Strategies (Cont'd.)*

Sanitary Sewer Condition Assessment and Infrastructure Improvements

In order to address critical infrastructure needs in the sanitary sewer system, the following augmentations were approved:

- The Sanitary Sewer Condition Assessment Project will enable Public Works to assess the condition of the sanitary sewers throughout the city, helping to identify funding needs, maintenance and capital improvements priorities, and will result in reduced sanitary sewer overflows.
- Funding was added for the improvements of sanitary pump stations.
- Funding is included for a project to improve GIS plan management to provide users of the Infrastructure Management System with an efficient, one-stop source of information that is presently unavailable for sanitary sewer GIS data.
- Two new vactor trucks will be purchased to improve the effectiveness and efficiency of sewer line cleaning and blockage removal.

Storm Sewer Infrastructure Improvements

In order to address critical infrastructure needs in the storm sewer system, the following augmentations were approved:

- The fifth year of a comprehensive storm pump station rehabilitation capital program is included to address the aging storm sewer infrastructure by replacing or rehabilitating the oldest and least reliable pump stations to reduce the risk of localized flooding during storm events.
- Funding for targeted neighborhood storm drainage improvements along heavily-utilized pedestrian corridors will alleviate localized ponding resulting from inadequate drainage capability.
- Funding was added to replace three street sweepers who have exceeded their useful life. This will significantly reduce maintenance and repair costs, as well as sweeper downtime.
- Funding was allocated for Phase 2 of the Storm System GIS project, which will improve the accuracy and completeness of storm GIS data and enable the data to be more accessible and useful for client departments and outside agencies.

Solid Waste Infrastructure Improvements

- One-time consultant support is provided to conduct a detailed evaluation of IBS workflows for streamlining processes and making better use of the system, including but not limited to, hauler monitoring and payment, account maintenance and collection processes, municipal water system severance and meter asset monitoring, and field order processing for both municipal water and the four large residential haulers.
- Additional contractual services will support operational activities and facility development work associated with the Household Hazardous Waste drop-off facility at the former Las Plumas warehouse site.

Key Investments & Objectives ***How will we accomplish our goals? (Cont'd.)***

Outcome 1: Reliable Utility Infrastructure (Cont'd.)

Year 2: 2009-2010 – *Projected Service Strategies*

Infrastructure Rehabilitation and Replacement

- The CSA will continue to explore funding strategies to address the Storm Sewer, Sanitary Sewer, and Treatment Plant infrastructure needs. Alternative sources of financing, such as bonds, loans, and grants, will be evaluated in order to minimize rate increases needed to fund the over $1 billion in Plant projects over the next 15 years.
- Final build-out of Las Plumas environmental campus is planned, including a permanent Household Hazardous Waste facility.
- Evaluate opportunities for Construction and Demolition Diversion Deposit (CDDD) infrastructure grants.

Outcome 2: Healthy Streams, Rivers, Marsh and Bay

Year 1: 2008-2009 – *Planned Service Strategies*

Wastewater Program Implementation

- An additional Environmental Inspector was added for the Pretreatment Program in order to ensure program performance while also implementing a rigorous staff training program and three additional Inspectors were added to expand the FOG Program to cover the entire Treatment Plant tributary area.
- Funding was added to manage the Pollution Prevention Dental Permitting Program and the Pharmaceutical Take-back program.

Stormwater Program Implementation

- Substantial funding was approved to implement enhancements to the City's stormwater programs, in response to the Municipal Regional Permit. The first year of implementation will emphasize redirecting operations, developing new and expanded programs, procurement of equipment, and the refinement of program data tracking.
- Funding was provided to enhance implementation of programs to reduce the impact of trash in creeks.

Year 2: 2009-2010 – *Projected Service Strategies*

NPDES 2008 Stormwater Permit

- Staff will continue to determine resource implications needed to implement the new permit provisions.
- Enhance programs to reduce hazardous materials entering the City waterways.

Key Investments & Objectives ***How will we accomplish our goals? (Cont'd.)***

Outcome 3: "Clean and Sustainable" Air, Land and Energy

Year 1: 2008-2009 – *Planned Service Strategies*

Sustainability Program

- The shift of funds from the General Fund to the Storm Sewer Operating Fund will provide funding for an operating grant to Our City Forest to provide services related to urban forestry in San José. Services include planting, establishment, and maintenance of 1,200 trees funded through State grants secured by Our City Forest. This will ensure their health and mitigate the effects of potential leaf litter on storm drain maintenance and local water quality.
- In order to implement the Green Vision, a total of $7.1 million was approved across the City budget for these activities.

Increasing Diversion through Zero Waste, Green Vision, and Urban Accords Goals

- In order to achieve 70% diversion in the Multi-Family Dwelling (MFD) sector, and have one of the highest diverting MFD recycling programs in the country, current agreements were amended to provide for increased recycling of garbage collected at MFDs.
- Two positions and contractual services were added to coordinate and implement an Organics Resource Recovery program City-wide, representing a fundamental strategy to meet the City's Zero Waste and biomass energy initiatives.
- Two positions and contractual services funding were added in the Construction and Demolition Diversion Deposit recycling program for facility re-certification to continue diversion, a waste characterization study to identify additional diversion opportunities, and to provide more bins for the Neighborhood Clean-Up program.

Year 2: 2009-2010 – *Projected Service Strategies*

- In order to continue funding the Green Vision, a variety of strategies will be evaluated including, grants and subsidies, special funds, partnerships, and other sources.

Outcome 4: Safe, Reliable, and Sufficient Water Supply

Year 1: 2008-2009 – *Planned Service Strategies*

Water Conservation

- One position was approved to be added to the Environmental Services Department for implementation of the City-wide water conservation plan.

Year 2: 2009-2010 – *Projected Service Strategies*

- The CSA will continue to implement the City-wide water conservation plan.

Outcome 1: Reliable Utility Infrastructure

San José/Santa Clara Water Pollution Control Plant Reliability Projects

The multi-year Plant Reliability Improvements Project at the Treatment Plant was completed in March 2008, six months ahead of schedule. Construction of this project began in spring of 2005. This project increases peak wet weather flow capacity from 271 mgd to 400 mgd. Past wet weather flows during prolonged rainstorms have caused inflow to the Treatment Plant to surpass 320 mgd, resulting in numerous operational difficulties.

Several projects to address immediate safety needs and improvements to the reliability of the Treatment Plant's aging electrical system are either completed or currently underway. Several contracts will be placed to begin design of the remaining scope of the larger Electrical Reliability Improvements project in 2007-2008. Construction will begin 2009-2010 and will continue over a six-year period due to implementation and funding constraints. The total budget for the project over the next six years is $75 million.

Infrastructure Improvements

In 2004, the Alternative Disinfection Project Study began at the Treatment Plant. This project will evaluate and construct the facilities required for the Treatment Plant to switch from gaseous chlorine to alternative disinfection methods. Detailed design of the project is complete and construction will begin in 2008-2009. Design of Digester Improvements is currently underway. This project will rehabilitate all 16 digesters at the Plant, including five which are currently out of service due to severe corrosion and damage caused by age. Construction is scheduled over four years due to funding constraints. In 2007-2008, staff began development of a 30-year master plan to identify and plan for future needs of the Treatment Plant. Funding for the master plan is spread over a three-year period.

5 Year Strategic Goals		2009-2013 5-yr Goal	2007-2008 1-yr Target	2007-2008 Estimate	2008-2009 1-yr Target	2009-2010 2-yr Target
A. *Environmental and Utility Services CSA delivers quality Capital Improvement Program (CIP) projects on-time and on-budget*	1. % of CIP projects delivered* within 2 months of approved baseline schedule	85%	85%	78%	85%	85%
	2. % of CIP projects that are completed** within the approved baseline budget	90%	90%	100%	90%	90%
	3. % of operations and maintenance divisions rating new or rehabilitated capital facilities as being functional and sustainable after first year of use	80%	80%	TBD***	80%	80%
	4. % of customers rating new or rehabilitated CIP projects as meeting established goals (4 or better based on a scale of 1-5)	85%	85%	85%	85%	85%

Changes to Performance Measures from 2007-2008 Adopted Budget: No

* Projects are considered to be "delivered" when they are available for their intended use.
** Projects are considered to be "completed" when final cost accounting has occurred and the project has been accepted.
*** Operations and maintenance surveys are being conducted for a representative sample of projects that reached beneficial use in 2006-2007. Results from these survey are pending.

Outcome 1: Reliable Utility Infrastructure (Cont'd.)

5 Year Strategic Goals	CSA Performance Measures	2009-2013 5-yr Goal	2007-2008 1-yr Target	2007-2008 Estimate	2008-2009 1-yr Target	2009-2010 2-yr Target
B. Preserve the City's utility infrastructure to optimize service delivery capabilities	1. % of utility assets in working condition:					
	- SJ/SC Water Pollution Control Plant	95%	95%	95%	95%	95%
	- Sanitary Sewer lines	99%	98%	98%	98%	98%
	- Storm Sewer lines	97%	95%	99%	95%	95%
	- SJ Municipal Water	95%	95%	95%	95%	95%
	- South Bay Water Recycling	95%	95%	95%	95%	95%
	2. % of customers rating service as good, based on reliability, ease of system use and lack of disruption:					
	-Portable	90%	90%	N/A*	90%	90%
	-Recycled	90%	80%	N/A*	82%	84%
	3. Ratio of MWS average residential water bill to average residential water bill of other San José water retailers**	<100%	<100%	<100%	<100%	<100%
C. Provide for collection, disposal & processing of solid waste	1. % of waste diverted from landfills (State Goal: 50%)	75%	61%	60%	62%	62%
	2. % of residents rating collection services as good or excellent					
	- Single-Family Dwelling	90%	85%	89%	89%	89%
	- Multi-Family Dwelling	85%	75%	76%	76%	76%

Changes to Performance Measures from 2007-2008 Adopted Budget: No

* 2007-2008 survey results were not statistically significant due to low response rate
** San José water retailers include: San José Water Company and Great Oaks Water Company

Infrastructure Improvements (Cont'd.)

The sanitary sewer master plan studies awarded in 2007-2008 will identify sewer capacity deficiencies in the trunk sewer system based on the City's 2020 General Plan criteria, and will recommend a prioritized capital program for sewer capacity improvement projects.

A comprehensive storm pump station rehabilitation and upgrade capital program was developed and begun in 2004-2005 to reduce the risk of localized flooding. The program continues with a fifth year of funding in 2008-2009 to continue the rehabilitation or replacement of high priority pump stations across the City.

A project at existing pump stations for the recycled water system, which will enhance reliability and improve system operations, was awarded in August 2006 and construction completion is scheduled for summer 2008. Recycled water pipelines along Coleman Avenue toward the City of Santa Clara were completed and the new five million gallon reservoir under construction will also be completed in summer 2008.

Infrastructure for Solid Waste Management

Creating infrastructure and programs to meet Zero Waste by 2022 will be necessary in the coming decade. Over the next 15 years, solid waste landfill space in the region will likely reach capacity. Landfills are becoming increasingly difficult to site in California and with higher fuel prices and concerns about green house gas emissions, local recycling processing infrastructure will need to be enhanced to handle various waste streams.

Outcome 2: Healthy Streams, Rivers, Marsh and Bay

5 Year Strategic Goals	CSA Performance Measures	2009-2013 5-yr Goal	2007-2008 1-yr Target	2007-2008 Estimate	2008-2009 1-yr Target	2009-2010 2-yr Target
A. Manage stormwater for suitable discharge into creeks, rivers and the Bay	1. % of Urban Runoff Management Plan (URMP) tasks completed by target date	100%	100%	99%	100%	100%
	2. % of residents surveyed who understand that any substances that get washed down the street end up in the Bay without treatment through the storm drain system	60%	50%	N/A*	50%	50%
B. Manage wastewater for suitable discharge into the Bay	1. Mgd discharged to Bay during the average dry weather effluent flows (ADWEF) season	<120 mgd	105 mgd	102 mgd	105 mgd	105 mgd
	2. % of time pollutant discharge requirements for wastewater NPDES permit are met or surpassed	100%	100%	100%	100%	100%
C. Develop, operate, and maintain a recycled water system that reduces effluent to the Bay	1. Millions of gallons per day diverted from flow to the Bay through recycled water during the ADWEF period	20 mgd	15 mgd	15 mgd	16 mgd	17 mgd

Changes to Performance Measures from 2007-2008 Adopted Budget: No

* 2007-2008 survey results were not statistically significant due to low response rate. Survey will be re-administered in 2008-2009.

Managing Health of the Bay

Since 1990, the City has invested considerable efforts in protecting local streams, rivers, and the San Francisco Bay salt marsh habitat. The Treatment Plant's average dry-weather effluent flow for 2006 was 102 mgd, well below the 120 mgd trigger set by the State to protect wildlife habitat. The Plant continues to consistently meet permit discharge requirements.

Salt marsh habitat protection is a key element of San José's watershed protection efforts. City staff actively participates in the South Bay Salt Pond Restoration Project, which aims to restore former salt ponds to salt marshes or managed pond habitat in the South Bay, as well as the South San Francisco Bay Shoreline Study, which studies flood protection requirements for the area.

The City continues to expand programs and partnerships to address new priority pollutants and emerging threats to water quality. Residential pharmaceutical exchange and dental amalgam programs aim to reduce mercury discharge, and the City's efforts to provide safe and convenient disposal for unused medications are critical to address the emerging concern of their effects on water quality nationwide.

Managing Stormwater

The City's various departments continue to successfully collaborate to implement current NPDES stormwater permit requirements.

The Environmental Services Department has also teamed with Parks, Recreation and Neighborhood Services; Transportation; and General Services Departments to implement various pilot projects related to developing new Integrated Pest Management tools and techniques for municipal operations, as well as researching several structural trash management devices designed to prevent trash from entering local waterways.

The City continues to expand partnerships for litter management with other agencies to keep creeks clean. In addition, a permanent Household Hazardous Waste (HHW) facility is being developed to facilitate disposal for residents and reduce the risk of contamination of the City waterways.

A Tentative Order was released in December 2007 and the Water Board is aiming to adopt the Municipal Regional Permit in winter 2008. The permit will direct significant enhancements to municipal maintenance activities, water quality monitoring, enforcement programs, and application of treatment and flow control measures on additional development projects.

Outcome 3: *"Clean and Sustainable" Air, Land and Energy*

5 Year Strategic Goals	CSA Performance Measures	2009-2013 5-yr Goal	2007-2008 1-yr Target	2007-2008 Estimate	2008-2009 1-yr Target	2009-2010 2-yr Target
A. Promote improved air quality	1. % of City vehicles using alternative fuels or are ultra-low emission vehicles	50%	36%	36%	36%	36%
B. Utilize Green Building Design principles in all public buildings and encourage their use in private development	1. % of new and existing buildings incorporating Green Building Guidelines:					
	-Applicable Public Buildings	100%	100%	100%	100%	100%
	-Commercial Buildings	10%	10%	10%	10%	10%
	-Attached Residential	10%	10%	10%	10%	10%
C. Procure, manage and conserve clean, economical and reliable sources of energy	1. % of energy conserved in City facilities	25%	16%	27%	20%	20%
	2. # of renewable systems in City facilities	5	1	1	4	6
D. Reduce, reuse, and recycle solid waste at home, work, and play	1. % of residents rating the City's job of providing information on how to recycle as good or excellent	90%	88%	88%	90%	90%

Changes to Performance Measures from 2007-2008 Adopted Budget: No

Green and Sustainable Building Program

In March 2007, the City Council adopted a revised Green Building Policy requiring that certain new municipal buildings over 10,000 square feet be constructed to achieve LEED Silver level certification at a minimum, with a goal of reaching LEED Gold or Platinum certification. As one of the five largest U.S. cities that have adopted the LEED Silver standard, San José's new Green Building Policy places it in the forefront of cities striving toward sustainability. City projects already underway toward achieving Silver LEED certification include: the Roosevelt Community Center and the South San José Police Substation.

Included in the revised Policy was direction that staff assess existing City facilities, including a pilot project that would apply the LEED-Existing Building rating system, and establish a work plan for outreach to the private sector. Components of this pilot include exploring incentives and providing education on the use of additional LEED or other high-performance building guidelines and specifically include all developments supported by the San José Redevelopment Agency and Housing funds.

Energy supply, reliability, and rising costs continue to be a concern. As part of the City's Sustainable Energy Policy, San José is increasing its efforts to pursue energy efficiency in City operations. In particular, as part of Mayor and Council direction, the potential use of renewable/solar energy on City facilities will be assessed and explored.

The 2009-2011 City of San José/Silicon Valley Energy Watch partnership with PG&E will deliver to the small business, residential, and municipal sectors cost-effective, persistent, and comprehensive energy savings and provide sustainable, reliable, and affordable energy resources, along with reducing climate change risks and emissions. The program will also collaborate with governments (local as well as state and federal agencies), the California energy efficiency industry, academia, and local stakeholders to maximize program penetration.

Sustainable Waste Management

City-approved goals (Green Vision Goal #5, 75% diversion by 2013, and Zero Waste by 2022) will guide waste management activities. Performance results will hinge on the success of a variety of elements, including infrastructure, land use, program design, and outreach to waste generators, all of which are included as part of the Zero Waste Master Plan.

The City of San José achieved a State-certified diversion rate of 62% for the State's 2003-2004 Biennial Review period through administration of its residential, commercial, and civic garbage and recycling programs, and is among the highest diversion rate of any large city in the nation. San José's extensive incentive-based programs make it easier to "Recycle Where You Live, Work, Learn and Play." Customer outreach to neighborhoods, schools, and businesses, and a high level of customer satisfaction, also

Outcome 3: *"Clean and Sustainable" Air, Land and Energy (Cont'd.)*

Sustainable Waste Management (Cont'd.)

contribute to the overall success of these well-designed programs.

Although the City has a high diversion rate, there are many waste reduction opportunities remaining. California's waste diversion mandate based on achieving a set "diversion rate" requires much attention on tracking the individual materials that are reused and recycled from the multitude of waste generators in the City. Goal #5 of the Green Vision directs staff to focus on reducing the tons of waste going to landfills. Staff will focus its workload upon the four principal waste streams: single-family residences; commercial/ industrial/institutional waste generators (including large public events and City facilities/operations); multi-family residences; and construction and demolition activity.

Outcome 4: *Safe, Reliable and Sufficient Water Supply*

Successful Water Recycling and Conservation

The City plays an important role in ensuring future water supplies through its water conservation and water recycling programs. Both of these programs serve a dual purpose: (1) conserving potable water supplies, and (2) reducing the amount of wastewater to the San José/Santa Clara Water Pollution Control Plant. Both programs have been a major factor in keeping flows below the 120 mgd permit trigger.

The South Bay Water Recycling (SBWR) Program has continued to increase the number of customers using recycled water to over 540. SBWR provides the greatest short-term and long-term flow reduction potential. The City and Santa Clara Valley Water District have undertaken a collaborative effort to prepare a long-term plan for the operation, maintenance and future expansion of the SBWR system.

The City will continue to take advantage of the opportunities available for indoor and outdoor water conservation. In addition, with the implementation of the new conservation plan, the City will partner with the Santa Clara Valley Water District to expand our conservation efforts City-wide. Given increased population growth, the potential effects of climate change on water supplies, the uncertainty about the Delta supply, and drought, the Santa Clara Valley Water District is requesting additional conservation support in the coming years. The City will continue and increase cost sharing on indoor water conservation programs with the Santa Clara Valley Water District to help them achieve their conservation goals.

5 Year Strategic Goals	CSA Performance Measures	2009-2013 5-yr Goal	2007-2008 1-yr Target	2007-2008 Estimate	2008-2009 1-yr Target	2009-2010 2-yr Target
A. Decrease reliance on imported water	1. Mgd of water conserved and recycled	22.3	21.4	18	18.9	19.7
B. Public is educated regarding water conservation, and the safe and appropriate use of recycled water and water resources*	1. % of residents demonstrating water conservation knowledge	45%	33%	N/A*	35%	37%
	2. % of residents with water saving fixtures in their home	60%	49%	N/A*	52%	55%
	3. % of residents who are in favor of using recycled water	90%	70%	N/A*	75%	80%
C. Meet or exceed drinking and recycled water quality standards	1. % of San José Municipal Water System drinking water samples meeting or surpassing State and federal water quality	100%	100%	100%	100%	100%
	2. % of time recycled water meets or surpasses State recycled water standards (Title 22)	100%	100%	100%	100%	100%

Changes to Performance Measures from 2007-2008 Adopted Budget: No

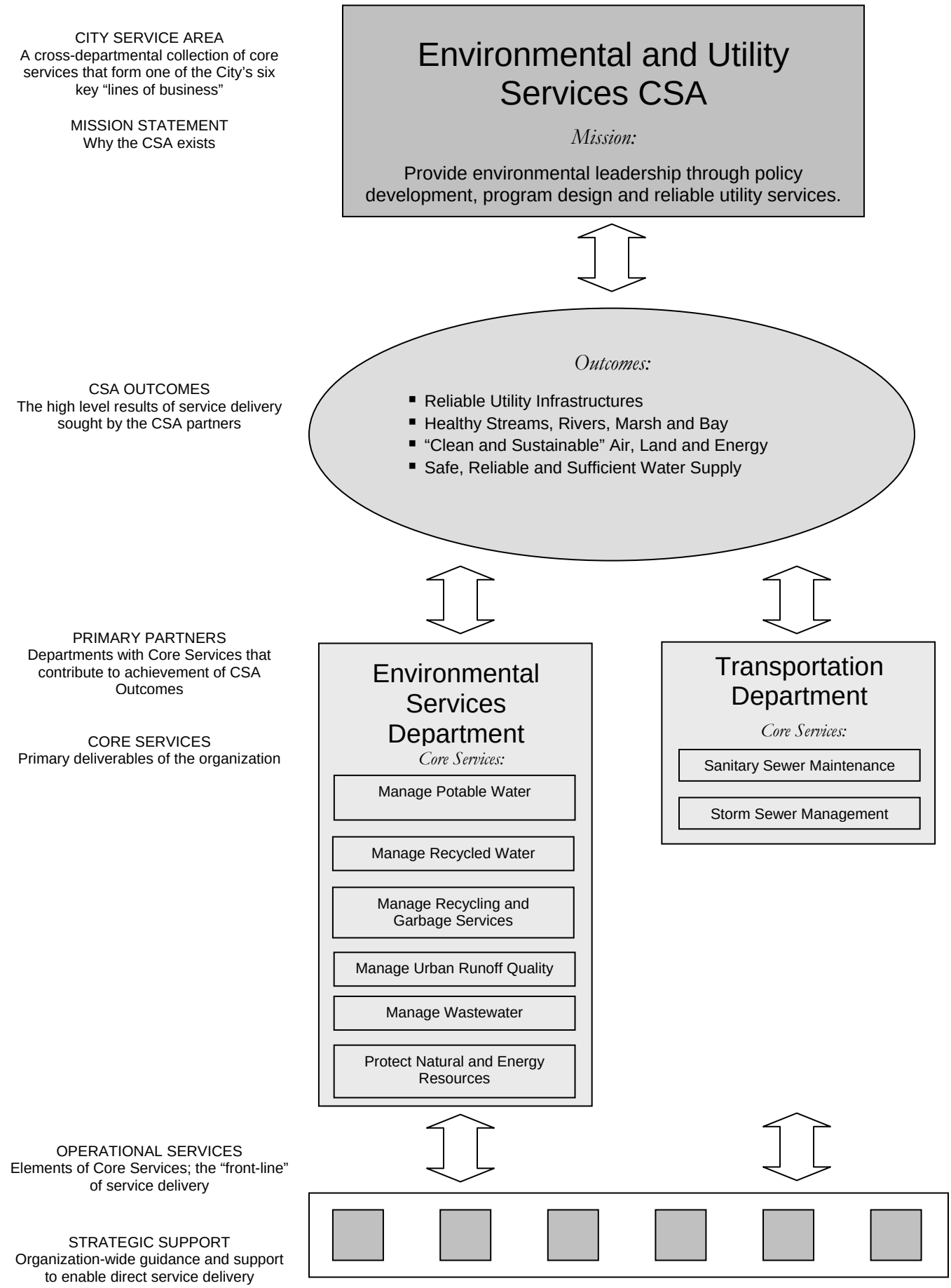
* Data comes from the Water Focus Survey. The next Water Focus Survey is scheduled for early 2008 with results available by summer 2008.

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
Outcome: **RELIABLE UTILITY INFRASTRUCTURE**			
Manage Potable Water (Environmental Services)			
• Central Service Yard Consolidation		(4,000)	0
• Environmental Services: Non-Personal/Equipment		1,664	0
Manage Recycling and Garbage Services (Environmental Services)			
• Recycle Plus Customer Service Efficiency Implementation*		450,000	0
Manage Wastewater (Environmental Services)			
• Treatment Plant Residual Sludge Staffing	1.00	(28,179)	0
• Central Service Yard Consolidation		(15,000)	0
• Treatment Plant Equipment Replacement*		1,100,000	0
• Treatment Plant Capital Project Delivery	4.00	386,092	0
• Treatment Plant Maintenance Staffing Training and Safety*	1.00	80,417	0
• Treatment Plant Pilot Operator Certification Incentive Program*		50,000	0
• Diesel-Powered Vehicles Retrofit		14,500	0
Sanitary Sewer Maintenance (Transportation)			
• Central Service Yard Consolidation		(8,000)	0
Storm Sewer Management (Transportation)			
• Central Service Yard Consolidation		(8,000)	0
Strategic Support (Environmental Services)			
• Telephone Communications Cost Efficiencies		(69,203)	0
Subtotal	**6.00**	**1,950,291**	**0**
Outcome: **HEALTHY STREAMS, RIVERS, MARSH AND BAY**			
Manage Urban Runoff Quality (Environmental Services)			
• Expanded Street Sweeping Signage		30,000	0
Manage Wastewater (Environmental Services)			
• Fats, Oils, and Grease (FOG) Program Expansion	3.00	465,385	0
• Pretreatment Program Staffing	1.00	138,856	0
• Pollution Prevention Program Expansion		103,725	0
Sanitary Sewer Maintenance (Transportation)			
• Sanitary Sewer Maintenance Staffing	(0.30)	(31,530)	0
• Sewer Maintenance Equipment*		700,000	0

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
Outcome: **HEALTHY STREAMS, RIVERS, MARSH AND BAY (CONT'D.)**			
Storm Sewer Management (Transportation)			
• Street Landscape Maintenance	(0.30)	(12,398)	0
• Storm Sewer Staffing	(0.10)	(10,509)	0
• Street Sweeping Vehicles*		700,000	0
• Tree Planting and Maintenance Funding Shift		173,000	0
• Expanded Street Sweeping Signage	1.00	134,366	0
Subtotal	**4.30**	**2,390,895**	**0**
Outcome: **"CLEAN AND SUSTAINABLE" AIR, LAND AND ENERGY**			
Manage Recycling and Garbage Services (Environmental Services)			
• Multi-Family Dwelling Diversion Increase*		3,000,000	(506,556)
• Construction and Demolition Recycling Program*	2.00	1,094,520	0
• "Zero Waste" - Organic Materials Recovery*	2.00	411,448	0
• Household Hazardous Waste Facility*		290,781	0
• Expanded Street Sweeping Signage		30,000	0
• Public Litter Cans Program Funding Shift		0	(400,000)
Strategic Support (Transportation)			
• Environmental Sustainability Officer Staffing*	0.50	67,576	0
Subtotal	**4.50**	**4,894,325**	**(906,556)**
Outcome: **SAFE, RELIABLE, AND SUFFICIENT WATER SUPPLY**			
Protect Natural and Energy Resources (Environmental Services)			
• Water Conservation Program Staffing	1.00	104,657	0
• Rebudget: Energy Watch Grant		370,602	370,602
• Rebudget: Silicon Valley Energy Partnership Grant		22,000	22,000
Subtotal	**1.00**	**497,259**	**392,602**
Other Changes			
City-Wide Expenses (City-Wide)			
• Creek Encampment Cleanups		73,000	73,000
• IDC Garbage Disposal Fees		(196,000)	(196,000)
• Miscellaneous Rebudgets		302,632	302,632
Subtotal	**0.00**	**179,632**	**179,632**
Total Core Service Changes	**15.80**	**9,912,402**	**(334,322)**

** Approved investment change is a new initiative/spending item since the 2007-2008 Adopted Budget.*

Service Delivery Framework



Core Service: Manage Potable Water

Environmental Services Department

Core Service Purpose

Develop, operate, and maintain the City's municipal potable water system.

Key Operational Services:

- ❑ System Operations
- ❑ System Maintenance
- ❑ Regulatory Compliance
- ❑ Customer Service
- ❑ System Expansion
- ❑ System Improvements

Performance and Resource Overview

The Municipal Water System (Muni Water) continues to deliver high quality service at low cost for San José residents compared to the private water retailers in San José. Wholesale water costs have increased significantly over the last few years and are scheduled to increase again in 2008-2009. Additionally, the same inflationary factors that affect the general economy also affect Muni Water's operating costs and administrative expenses. Higher energy costs, as well as improvements to and replacement of the operational plant, have also increased the costs of providing water service.

Due to an increase to the cost of wholesale water from the Santa Clara Valley Water District and the San Francisco Public Utilities Commission, costs related to staffing needs for the Integrated Billing System and the Customer Contact Center, and the maintenance of required reserve levels, Muni Water rates were approved to increase by 8.8%. This will result in a monthly maximum rate increase averaging $3.15 for a typical residential household. Even with this increase, Muni Water customers will continue to have retail water rates below the average in San José and the Bay Area.

Performance results in the Manage Potable Water Core Service continue to be high. The "% of water samples meeting or surpassing State and federal water quality standards" is estimated to be just slightly below the target of 100% in 2007-2008, as a result of three water samples testing over the allowable limits. Upon retesting, however, levels were found to be in the normal range. The cost measure comparing the ratio of the average Muni Water residential bill with other San José water retailers (currently 73.5%) reflects Muni Water's lower rates. The millions of gallons of water delivered per year to the Municipal Water System customers are projected to end the year at 8,300 million gallons, which slightly exceeds the forecast level.

Core Service: Manage Potable Water

Environmental Services Department

Performance and Resource Overview (Cont'd.)

Manage Potable Water Performance Summary	2006-2007 Actual	2007-2008 Target	2007-2008 Estimated	2008-2009 Target
% of water samples meeting or surpassing State and federal water quality standards	100%	100.0%	99%	100.0%
Ratio of Municipal Water System (MWS) average residential water bill to average residential water bill of other San José water retailers*	73.3%	<100%	73.5%	<100%
% of customer service requests handled within 24 hours	N/A**	N/A**	N/A**	N/A**
% of MWS customers rating service as good or excellent, based on reliability, water quality, and responsiveness***	N/A***	90%	N/A***	90%

Changes to Performance Measures from 2007-2008 Adopted Budget: No

* San José water retailers include: San José Water Company and Great Oaks Water Company.

** Data is not available. The Integrated Billing System does not currently enable this type of data tracking. This will be implemented in a later phase of the Integrated Billing System project.

*** Data for this measure comes from the biennial Muni Water Customer Satisfaction Survey. The next survey is scheduled for summer 2008.

Activity & Workload Highlights	2006-2007 Actual	2007-2008 Forecast	2007-2008 Estimated	2008-2009 Forecast
Millions of gallons of water delivered per year to MWS customers	7,600	8,220	8,300	8,340
Total number of MWS customers	26,397	N/A*	26,230	26,300

Changes to Activity & Workload Highlights from 2007-2008 Adopted Budget: No

* Data was not available previously. The Integrated Billing System did not initially enable this type of data tracking.

Core Service: Manage Potable Water

Environmental Services Department

Performance and Resource Overview (Cont'd.)

Manage Potable Water Resource Summary	2006-2007 Actual 1	2007-2008 Adopted 2	2008-2009 Forecast 3	2008-2009 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 3,110,666	$ 3,301,472	$ 3,433,425	$ 3,433,425	4.0%
Non-Personal/Equipment	15,825,246	18,461,970	19,122,438	19,120,102	3.6%
Total	**$ 18,935,912**	**$ 21,763,442**	**$ 22,555,863**	**$ 22,553,527**	**3.6%**
Authorized Positions	**33.20**	**32.20**	**32.19**	**32.19**	**(0.0%)**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
RELIABLE UTILITY INFRASTRUCTURE			
1. Central Service Yard Consolidation		**(4,000)**	**0**

This action generates city-wide vehicle maintenance and operations cost savings totaling $291,925 ($237,914 in the General Fund), resulting from the relocation and consolidation of both the Fire and West Yard fleet maintenance operations to the Central Service Yard. As a result of these consolidations, efficiencies will be realized, which will enable the Department to reduce costs without impacting service levels. Three vacant positions in the General Services Department (1.0 Equipment Mechanic Assistant II, 1.0 Mechanic, 1.0 Assistant Fire Mechanic) will be eliminated. In order to maximize remaining resources and ensure that the consolidation does not deteriorate service levels, the General Services Department will institute a swing shift. In order to meet supervision needs on the swing shift, the addition of a Senior Mechanic Position is also included. The cost savings in the Environmental Services Department Manage Portable Water Core Service is $4,000. (Ongoing savings: $4,000)

Performance Results:
No impacts to current performance levels are anticipated as a result of this action.

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
RELIABLE UTILITY INFRASTRUCTURE (CONT'D.)			
2. Water Utility Fund Overhead Budget Adjustment		**1,664**	**0**
This action increases funding for the overhead allocation in the 2008-2009 Adopted Operating Budget as a result of inadvertently omitting expenditures from the overhead calculation in the Proposed Budget. (Ongoing costs: $0)			
Performance Results: No impacts to current performance levels are anticipated as a result of this action.			
2008-2009 Adopted Core Service Changes Total	**0.00**	**(2,336)**	**0**

Core Service: Manage Recycled Water

Environmental Services Department

Core Service Purpose

Develop, operate, and maintain a recycled water system that reduces effluent to the Bay and provides a reliable and high quality alternative water supply.

Key Operational Services:

- ❑ System Operations and Maintenance
- ❑ Regulatory Compliance
- ❑ Customer Connection Services
- ❑ Education and Marketing
- ❑ System Expansion and Development

Performance and Resource Overview

The City's investment in South Bay Water Recycling (SBWR) and its expansion is helping the City protect endangered species habitats while providing an alternate supply of high-quality water for a variety of uses. This effort supports the City's economic development goals and the associated growth, while keeping the San José/Santa Clara Water Pollution Control Plant's discharges to South San Francisco Bay within the wastewater discharge flow trigger of 120 million gallons per day (mgd) set by the Regional Water Quality Control Board.

Over 540 SBWR customers are currently using recycled water to irrigate parks, schools, golf courses, and commercial landscape, as well as for manufacturing and cooling towers. While the amount of water diverted from South San Francisco Bay will continue to increase as more customers are added to the system, new uses will also result in new challenges. For example, while the use of recycled water for cooling at power plants in Santa Clara and south San José has increased recycled water consumption by as much as 5 million gallons a day during the summer, the discharge of concentrated cooling water to the treatment plant increases the salinity of recycled water, which will eventually require additional treatment to ensure that recycled water remains suitable for irrigation. In view of this, the City and the Santa Clara Valley Water District have recently collaborated on an Advanced Water Treatment pilot program to demonstrate the effectiveness of microfiltration and reverse osmosis in improving recycled water quality.

Another issue brought on by the success of South Bay Water Recycling is the need to adjust recycled water rates to better reflect their value to customers and reduce the program's longstanding operating deficit. Beginning in 2004-2005, SBWR wholesale water rates were indexed to the Santa Clara Valley Water District (SCVWD) rate for untreated water, currently $475 per acre-foot (AF). In 2008-2009, the SCVWD is increasing the untreated water rate by $45 per AF. Consistent with the SBWR wholesale rate ordinance, the wholesale price of recycled water will rise dollar for dollar with the increase approved by the SCVWD. Furthermore, in 2008 a change to the rates was approved, such that the discount provided for the use of recycled water will

Performance and Resource Overview (Cont'd.)

decrease over the next several years in recognition of the relatively broad acceptance of its use in Silicon Valley, and its increasing value to irrigation and industrial customers.

During the past fiscal and calendar years, the San José/Santa Clara Water Pollution Control Plant continued to discharge below 120 million gallons per day of highly treated effluent due to a combination of water conservation and water recycling. With respect to the performance measures, during 2007-2008 it is estimated that SBWR will have met its target by delivering an estimated 3,300 million gallons of recycled water on an annual basis. During the dry weather period (May through October), daily recycled water use for the 2007-2008 reporting period (June-August 2007) averaged 14.4 mgd or about 13% of total influent flow.

Manage Recycled Water Performance Summary	2006-2007 Actual	2007-2008 Target	2007-2008 Estimated	2008-2009 Target
Millions of gallons per day diverted from flow to the Bay for beneficial purposes during the dry weather period*	14.1	15	14.4	16
Millions of gallons of recycled water delivered annually	3,290	3,300	3,300	3,500
% of time recycled water quality standards are met or surpassed	100%	100%	100%	100%
% of wastewater influent recycled for beneficial purposes during the dry weather period*	12%	12%	13%	14%
Cost per million gallons of recycled water delivered	$1,025	$1,100	$1,100	$1,100
% of recycled water customers rating service as good or excellent, based on reliability, water quality, and responsiveness	69%**	75%**	N/A**	75%

Changes to Performance Measures from 2007-2008 Adopted Budget: No

* Dry weather period defined as lowest three months continuous average between May and October, which during the fiscal year reporting period is July-September.

** Data for this measure comes from the "Overall Satisfaction" parameter as reported in the 2005-2006 Recycled Water Customer Satisfaction Survey in September 2006. The next scheduled survey will cover 2007-2008 and will be reported in fall 2008.

Activity & Workload Highlights	2006-2007 Actual	2007-2008 Forecast	2007-2008 Estimated	2008-2009 Forecast
Total number of South Bay Water Recycling customers	547	600	550	600

Changes to Activity & Workload Highlights from 2007-2008 Adopted Budget: No

Core Service: Manage Recycled Water

Environmental Services Department

Performance and Resource Overview (Cont'd.)

Manage Recycled Water Resource Summary	2006-2007 Actual 1	2007-2008 Adopted 4	2008-2009 Forecast 3	2008-2009 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 1,715,016	$ 1,976,571	$ 2,068,546	$ 2,068,546	4.7%
Non-Personal/Equipment	1,407,881	2,256,621	2,262,797	2,262,797	0.3%
Total	**$ 3,122,897**	**$ 4,233,192**	**$ 4,331,343**	**$ 4,331,343**	**2.3%**
Authorized Positions	**16.63**	**16.63**	**16.70**	**16.70**	**0.4%**

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Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
NONE			

Environmental and Utility Services CSA

Core Service: Manage Recycling and Garbage Services

Environmental Services Department

Core Service Purpose

Collect, process and dispose of solid waste to maximize diversion from landfills and protect public health, safety and the environment.

Key Operational Services:

- ❑ Develop and Administer Programs to Maximize Diversion
- ❑ Provide Customer Service
- ❑ Manage Collection, Processing, and Disposal Contracts

Performance and Resource Overview

The City of San José achieved a State-certified diversion rate of 62% for the State's 2003-2004 Biennial Review period through administration of its residential, commercial, and civic garbage and recycling programs, which is still among the highest diversion rate of any large city in the nation. Due to the City's comprehensive diversion and outreach programs, the overall landfill diversion rate increased from 11% in 1990 to 62% in 2004, compared to the State's mandate of 50%. San José's extensive incentive-based programs make it easier to "Recycle Where You Live, Work, Learn and Play". Customer outreach to neighborhoods, schools, and businesses, and a high level of customer satisfaction also contribute to the overall success of these well-designed programs.

The City's preliminary diversion rate for 2005-2006 is 60%, which has been submitted to the California Integrated Waste Management Board (CIWMB) for approval. This rate will not be approved until the Board concludes the 2005-2006 Biennial Review, now estimated to be in late 2008. While the diversion rate has decreased by two percentage points from 2003-2004, this amount is considered a reasonable system fluctuation and does not represent a trend that requires further action. In order to maintain the diversion rate above the State's 50% mandate, and meet city-approved goals (Green Vision Goal #5, 75% diversion by 2013, and Zero Waste by 2022), additional opportunities for diversion will continue to be explored. Staff will focus its workload upon the four principal waste streams: single-family residences; commercial/industrial/institutional waste generators (including large public events and City facilities/operations); multi-family residences; and construction and demolition activity. Performance results will hinge on the success of a variety of elements, including infrastructure, land use, program design, and outreach to waste generators, all of which are included as part of the Zero Waste Master Plan.

The commercial sector generates approximately 75% of all San José waste and therefore represents the greatest potential for diversion. The Commercial Franchise System is being evaluated to identify opportunities for increased effectiveness and efficiency available under a restructured commercial hauling system. One goal of the system evaluation is to enhance recycling services to members of the business community who are currently underserved. The City's Construction and Demolition Diversion Deposit (CDDD) recycling program continues to divert the single largest

component of the City's waste stream.

The Integrated Waste Management (IWM) Fund supports residential, commercial, and civic solid waste activities, including various contracts for collection, processing, and disposal. The residential division manages contracts for Recycle Plus garbage, recycling, yard trimmings, and street sweeping services for single and multi-family dwellings. In order to ensure adequate funding for these new contracts, a rate increase is recommended.

The Adopted Budget approved rate increases of 4.5% for single-family dwelling (SFD) properties, due primarily to increases in fuel costs, and 8% for multi-family dwelling (MFD) properties in 2008-2009. Property owners were advised in April 2007 of potential SFD and MFD rate increases of up to 10% in 2008-2009 and 2009-2010. These increases are necessary to maintain cost recovery, improve the recycling program, and maintain adequate reserve levels.

Amendments to GreenTeam collection service contracts to sort all City facilities and multi-family dwelling recyclables from solid waste and compost the residue were approved. This action provides for the establishment of an industry leading model for cost-effective solid waste processing services that increases waste diversion from City facilities and public litter cans, significantly reduces carbon emissions as a result of fewer deliveries to the landfill, and improves the City's recycling rate up to 70% through sorting and composting of City wastes.

A variety of additions were approved as part of the 2008-2009 Adopted Operating Budget to enhance program efficiencies and service levels in this core service. Funding additions include staffing support to coordinate and implement an organics resource recovery program city-wide to initiate organics diversion at schools, City facilities, and key venues, and to explore biomass energy options. Staffing support was also approved to re-certify CDDD facilities for continued diversion and to conduct a waste composition study of construction and demolition materials to identify additional diversion opportunities. Finally, funding was approved to support process improvement of the Integrated Billing System.

These staffing additions will enable the City to efficiently and aggressively meet the City's Zero Waste goals. One-time recognition and use of funding received from the County-wide AB939 fee was approved to continue development of the new household hazardous waste facility at Las Plumas. A funding shift of the public litter containers and non-profits' contractual expenditures from the General Fund to the IWM Fund were also approved to provide ongoing savings to the General Fund and mitigate the impact of increased solid waste diversion on General Fund revenues.

Performance and Resource Overview (Cont'd.)

Manage Recycling and Garbage Services Performance Summary	2006-2007 Actual	2007-2008 Target	2007-2008 Estimated	2008-2009 Forecast
% of solid waste diverted from landfill State Mandate: 50%	60%	61%	60%	62%
% of residential pickups completed as scheduled	100%	100%	100%	100%
City's annual per household cost to provide recycling and garbage collection, processing, and disposal (per residential household)	$242	$307	$310	$323
% of service requests on time per contract requirements	100%	100%	100%	100%
% of customers rating recycling and garbage services as good or excellent, based on reliability, ease of system use, and lack of disruption				
- Single-Family Dwelling	89%	85%	89%	89%
- Multi-Family Dwelling	76%	75%	76%	76%

Changes to Performance Measures from 2007-2008 Adopted Budget: No

Activity & Workload Highlights	2006-2007 Actual	2007-2008 Forecast	2007-2008 Estimated	2008-2009 Forecast
Total tons of residential solid waste diverted from landfills	257,087	250,000	257,000	260,000
Total tons of residential solid waste landfilled	237,960	247,500	238,000	250,000
Total number of residential households served	296,457	298,400	299,000	302,000

Changes to Activity & Workload Highlights from 2007-2008 Adopted Budget: No

Core Service: Manage Recycling and Garbage Services

Environmental Services Department

Performance and Resource Overview (Cont'd.)

Manage Recycling and Garbage Services Resource Summary	2006-2007 Actual 1	2007-2008 Adopted 4	2008-2009 Forecast 3	2008-2009 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 5,064,161	$ 4,154,815	$ 4,577,406	$ 4,973,374	19.7%
Non-Personal/Equipment	63,260,929	79,515,683	83,427,156	88,307,937	11.1%
Total	**$ 68,325,090**	**$ 83,670,498**	**$ 88,004,562**	**$ 93,281,311**	**11.5%**
Authorized Positions	**31.89**	**35.89**	**38.26**	**42.26**	**17.7%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
RELIABLE UTILITY INFRASTRUCTURE			
1. Recycle Plus Customer Service Efficiency Implementation		**450,000**	**0**

This action funds consultant services to conduct a thorough and detailed evaluation of Integrated Billing System workflows to implement efficiencies that would make better use of the system by incorporating the best and most efficient practices of utility billing and customer service operations in other municipalities and agencies. (Ongoing costs: $0)

Performance Results:
Cost, Customer Satisfaction Reduces operations and maintenance costs by reducing the impact of current ongoing staff resources and minimizing future system operational cost increases.

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
"CLEAN AND SUSTAINABLE" AIR, LAND AND ENERGY			
2. Multi-Family Dwelling Diversion Increase		**3,000,000**	**(506,556)**

This action amends and funds the GreenTeam agreement for recycling and garbage collection at multi-family dwellings. All garbage collected from multi-family dwellings (MFDs) will be processed at a waste processing facility in San José to remove recyclables such as cans, bottles, and paper. Remaining material, consisting largely of food waste, will be composted at a composting facility in southern Santa Clara County. This will result in one of the highest diverting MFD recycling programs in the country and will increase the diversion rate from 35% to 70% in the MFD sector. (Ongoing costs: $3,000,000)

Performance Results:
Customer Satisfaction, Quality The expanded MFD program will increase diversion significantly without burdening residents and apartment managers with additional recycling requirements.

3. Construction and Demolition Recycling Program	**2.00**	**1,094,520**	**0**

This action funds the addition of 2.0 Environmental Services Specialists in the Construction and Demolition (C&D) recycling program to evaluate the existing program, including a City Council direction to evaluate the use of C&D as alternate daily cover at landfills. In addition, this action funds one-time contractual services ($500,000) for recertification of Construction and Demolition Diversion Deposit (CDDD) facilities and a C&D waste characterization study, as well as ongoing contractual services ($400,000) for neighborhood clean ups. Staffing costs will be offset by CDDD program revenue in the Integrated Waste Management Fund. (Ongoing costs: $618,404)

Performance Results:
Quality This action will ensure the successful recertification of the facilities involved and will ultimately result in additional diversion of solid waste from landfills, and increased recycling and reuse of valuable construction debris.

4. "Zero Waste" - Organic Materials Recovery	**2.00**	**411,448**	**0**

This action funds the addition of 1.0 Supervising Environmental Services Specialist, 1.0 Environmental Services Specialist and associated non-personal/equipment costs to initiate organics diversion programs at schools, City facilities, and key venues, and explore biomass energy options. In addition, this action funds contractual services ($200,000) for coordination and implementation of an organics resource recovery program city-wide. (Ongoing costs: $435,270)

Performance Results:
Cycle Time Maximum capture of organics will help the City to meet diversion and biomass energy goals. City resources will be leveraged for the most cost effective planning and implementation alternatives.

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
"CLEAN AND SUSTAINABLE" AIR, LAND AND ENERGY (CONT'D.)			
5. Household Hazardous Waste Facility		**290,781**	**0**

This action provides one-time funding for operational activities and facility development work, such as a canopy for bio-retention space and costs associated with the construction of the new household hazardous waste drop-off facility located at the former Las Plumas warehouse site. (Ongoing costs: $0)

Performance Results:
Customer Satisfaction, Quality Funding for this facility will minimize hazardous materials from entering the environment and local waterways. Support of this program will enhance the County's abilities to serve all interested residents in this program, which has been increasing steadily for the previous six years (47% participation increase).

6. Expanded Street Sweeping Signage		**30,000**	**0**

This action funds supplies and contractual services for signs prohibiting parking on street sweeping days on an additional 20 curb miles. The additional signs will be placed on streets that are severely impacted by parking. With additional parking restrictions posted, street sweeps will be more effective at cleaning neighborhood roads and preventing the flow of debris into the storm drain system and, ultimately, into area streams and the Bay. (Ongoing costs: $30,000)

Performance Results:
Quality Streets where new parking prohibition signage will be installed will achieve over 85% of parking compliance on sweep day, allowing for effective sweeping operations and resulting in clean streets. ***Customer Satisfaction*** This action will enable the Department of Transportation to identify and install parking prohibition signs on additional streets where greater than 50% of curbs are blocked by parked cars on sweep day.

7. Public Litter Can Program Funding Shift	**0**		**(400,000)**

This action shifts contractual expenses for the Public Litter Can Recycling Program ($400,000) from the General Fund to the Integrated Waste Management Fund in order to better align the costs of this program to the appropriate funding source. (Ongoing savings: $0)

Performance Results:
Cost, Customer Satisfaction This action will reduce expenditures in the General Fund. There will be no adverse effect on performance or service levels from this action.

2008-2009 Adopted Core Service Changes Total	**4.00**	**5,276,749**	**(906,556)**

Core Service: Manage Urban Runoff Quality

Environmental Services Department

Core Service Purpose

Promote the health of the South Bay watershed through regulatory programs that prevent pollution from entering the storm sewer system and waterways.

Key Operational Services:

- Illegal Discharge Response Program (ICID)
- Industrial Inspection Program (IND)
- Water Quality Monitoring Program
- Inter-Departmental Technical Support
- Inter-Agency Collaboration
- Education and Outreach

Performance and Resource Overview

Much of this core service's current activities are directed by the City's National Pollutant Discharge Elimination System (NPDES) permit for separate municipal storm sewer systems. The City's Urban Runoff Management Plan (URMP) details the programs, initiatives, and activities undertaken pursuant to the stormwater permit. Implementing the URMP is a collaborative effort among several City departments, including Environmental Services; Public Works; Transportation; Planning, Building and Code Enforcement; General Services; and Parks, Recreation, and Neighborhood Services. These departments all contribute to the City's success in managing urban runoff quality.

The current NPDES Stormwater permit was approved in February 2001, and has been administratively extended pending the adoption of the next permit, which is being developed as a Municipal Regional Permit for stormwater throughout the Bay Area. Performance targets in the Manage Urban Runoff Quality Core Service are typically set at 100%, with results typically landing within a few percentage points of the target. For "% of URMP tasks completed by target date," the result is anticipated to be at 99% by year-end, primarily due to changes made to the planned tasks in anticipation of the new Municipal Regional Permit, which was originally expected to be adopted during 2007-2008. The current tasks reflect only the 2001 permit. Data for the performance measure on residential awareness is not yet available. The survey conducted in 2007-2008 was an e-mail survey and resulted in a very low response rate, rendering the data statistically insignificant. Consequently, an additional survey will be conducted in 2008-2009.

The proposed Municipal Regional Permit was released as a formal draft in December 2007 and will direct stormwater programming for 77 agencies, mostly cities, throughout the Bay Area. The permit is expected to require new and expanded programs to reduce pollutants discharged through the storm sewer system, such as mercury, pesticides, and trash; expanded implementation of treatment and flow controls on more new development projects; expanded water quality monitoring; additional oversight of construction activities; and rigorous data collection and reporting to

Performance and Resource Overview (Cont'd.)

demonstrate compliance. Adoption of the permit is expected in winter 2008.

In this Adopted Budget, a 30% rate increase in the Storm Sewer Service Use Charge was approved, which will raise the monthly single-family residential rate for the Storm Sewer fee by $1.35, from $4.53 to $5.88. The annual Storm Sewer Service Use Charge will increase from $54.36 to $70.56. This increase is consistent with the rate notices sent to residents in April 2007. This funding will support the City in meeting the performance standards set by the permit, maintain the storm sewer infrastructure, support the health of the South Bay Watershed, and fund storm pump station rehabilitation and replacement projects included in the 2009-2013 Adopted Capital Improvement Program.

Manage Urban Runoff Quality Performance Summary	2006-2007 Actual	2007-2008 Target	2007-2008 Estimated	2008-2009 Target
Annual cost per residential unit	$49.92	$54.36	$54.36	$70.56
% of Urban Runoff Management Plan tasks completed by target date*	99%	100%	99%	100%
% of residents surveyed who understand that any substances washed down the street end up in the Bay without treatment through the storm sewer system	43%	50%**	**	50%

Changes to Performance Measures from 2007-2008 Adopted Budget: No

* Compliance plan for NPDES Stormwater permit

** Due to low response rate from 2007-2008, the survey will be redone in 2008-2009.

Activity & Workload Highlights	2006-2007 Actual	2007-2008 Forecast	2007-2008 Estimated	2008-2009 Forecast
Stormwater NPDES permit work plan tasks completed by target date	237	250	260	265

Changes to Activity & Workload Highlights from 2007-2008 Adopted Budget: No

Core Service: Manage Urban Runoff Quality

Environmental Services Department

Performance and Resource Overview (Cont'd.)

Manage Urban Runoff Quality Resource Summary	2006-2007 Actual 1	2007-2008 Adopted 2	2007-2008 Forecast 3	2008-2009 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 2,794,112	$ 3,160,745	$ 3,094,066	$ 3,094,066	(2.1%)
Non-Personal/Equipment	2,301,701	3,011,727	2,755,200	2,785,200	(7.5%)
Total	**$ 5,095,813**	**$ 6,172,472**	**$ 5,849,266**	**$ 5,879,266**	**(4.8%)**
Authorized Positions	**25.69**	**28.69**	**27.25**	**27.25**	**(5.0%)**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
HEALTHY STREAMS, RIVERS, MARSH AND BAY			
1. Expanded Street Sweeping Signage		**30,000**	**0**

This action funds supplies and contractual services for signs prohibiting parking on street sweeping days on an additional 20 curb miles. The additional signs will be placed on streets that are severely impacted by parking. With additional parking restrictions posted, street sweeps will be more effective at cleaning neighborhood roads and preventing the flow of debris into the storm drain system and, ultimately, into area streams and the Bay. (Ongoing costs: $30,000)

Performance Results:
Quality Streets where new parking prohibition signage will be installed will achieve over 85% of parking compliance on sweep day, allowing for effective sweeping operations and resulting in clean streets. ***Customer Satisfaction*** This action will enable the Department of Transportation to identify and install parking prohibition signs on additional streets where greater than 50% of curbs are blocked by parked cars on sweep day.

2008-2009 Adopted Core Service Changes Total	**0.00**	**30,000**	**0**

Core Service: Manage Wastewater

Environmental Services Department

Core Service Purpose

Manage wastewater for suitable discharge into the South San Francisco Bay and for beneficial reuse to protect the environment and public health.

Key Operational Services:

- Source Management and Control
- Operation of Treatment System and Processes
- Maintain Equipment and Facilities
- Regulatory Compliance
- Regulatory Development and Technical Guidance
- Process Control Monitoring
- System Improvements

Performance and Resource Overview

This core service's activities are primarily focused on providing wastewater treatment services to eight jurisdictions and 1.4 million residents in the South Bay, conducting industrial facility inspections, and activities to ensure compliance with the City's National Pollution Discharge Elimination System (NPDES) Wastewater permit. For the sixth consecutive year, the San José/Santa Clara Water Pollution Control Plant (Plant) has achieved 100% compliance with its permit discharge requirements. This accomplishment has earned the Plant its second Platinum Peak Performance Award given by the National Association of Clean Water Agencies for 100% permit compliance for five consecutive years.

For the past several years, the performance issue of greatest concern for this core service has been the performance measure "Cost per million gallons treated". Although the significant decline in influent over the past several years is a contributing factor towards the rising measure, the increasing maintenance costs associated with the aging infrastructure at the Plant are significantly impacting operational costs. In response to this trend, two new programs were added in 2007-2008. The first was the development of an asset management program in order to develop a comprehensive data-driven strategy to address long-term capital needs within the Plant. The second was the enhancement of a preventive maintenance team that can develop a systematic approach, with dedicated personnel, to ensure a more thorough and timely maintenance cycle for all major assets. Both programs are underway and are expected to produce long-term savings through the planning and coordination of the rehabilitation and replacement of those assets in the most cost-effective manner possible.

In addition, the Plant capital program was significantly increased in 2007-2008, and continues at a heightened level of activity for 2008-2009, in order to address critical infrastructure needs at the Plant. In order to have the appropriate level of staffing to effectively manage and implement these projects, the addition of four positions is included in the 2008-2009 Adopted Operating Budget.

Performance and Resource Overview (Cont'd.)

In order to comply with the City's permit provisions, several positions to support program expansion are approved. Three additional Environmental Inspectors have been added to fulfill a request by the Plant Tributary Agencies to expand the Fats, Oil, and Grease (FOG) Program from San José to the entire Tributary area; a position has been added to coordinate the new Dental Mercury Reduction Program and coordinate pharmaceutical take-back events; and one position has also been added to the Source Control Section to ensure mandated sampling frequencies are met.

For the remainder of the measures in this core service, the Department is projected to meet or exceed its performance targets in 2008-2009. The performance measure "Million gallons per day discharged to the Bay during average dry weather season" is slightly below the targeted level due to an overall decline of flows to the Plant and continued recycled water flows to customers. This measure continues to sufficiently meet the Regional Water Quality Control Board's permit requirements and flow trigger of 120 million gallons per day (mgd). If average discharges from the Plant exceed this level during the May through October dry-weather season, however, the Board could order a number of more stringent measures, such as a building moratorium, that could threaten the area's long-term economic growth.

2006-2007 represents a reverse of the previous two years in which dry-weather influent was higher than the previous year and the total gallons treated per day also reflects this decline. This is in large part due to the significant decline in spring precipitation between 2006 and 2007, but may also indicate a slowing economy similar to the downward trend in plant inflows for the years immediately following the previous recession, which began in 2000-2001.

Manage Wastewater Performance Summary	2006-2007 Actual	2007-2008 Target	2007-2008 Estimated	2008-2009 Target
Millions of gallons per day discharged to the Bay during average dry weather season State order: 120 mgd or less*	102	105	102	105
% of time pollutant discharge requirements are met or surpassed	100%	100%	100%	100%
% of suspended solids removed	99%	99%	99%	99%
% of scheduled industrial inspections completed on time	98%	95%	95%	95%
Cost per million gallons treated	$885	$955	$933	$985
% of customers (permitted dischargers) satisfied or very satisfied with service, based on reliability and pre-treatment services	N/A**	90%	***	N/A**

Changes to Performance Measures from 2007-2008 Adopted Budget: No

* Average dry weather season is defined as the lowest three month continuous average between May and October.
** No survey scheduled for specified year
*** 2007-2008 survey to be conducted in June 2008

Core Service: Manage Wastewater

Environmental Services Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2006-2007 Actual	2007-2008 Target	2007-2008 Estimated	2008-2009 Target
Average millions of gallons per day treated	116	120	114	120
Total population in service area	1,364,700	1,362,205	1,382,960	1,406,000
Total pounds of suspended solids removed (in millions)	97	115	100	100

Changes to Activity & Workload Highlights from 2007-2008 Adopted Budget: No

Manage Wastewater Resource Summary	2006-2007 Actual 1	2007-2008 Adopted 2	2008-2009 Forecast 3	2008-2009 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 25,704,317	$ 32,189,477	$ 34,182,923	$ 35,043,393	8.9%
Non-Personal/Equipment	27,361,253	27,738,277	25,257,311	26,692,637	(3.8%)
Total	**$ 53,065,570**	**$ 59,927,754**	**$ 59,440,234**	**$ 61,736,030**	**3.0%**
Authorized Positions	**276.23**	**298.23**	**302.05**	**312.05**	**4.6%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
RELIABLE UTILITY INFRASTRUCTURE			
1. Treatment Plant Residual Sludge Staffing	**1.00**	**(28,179)**	**0**

This action funds the addition of 2.0 Maintenance Worker I positions, the costs of which are completely offset by the deletion of 1.0 vacant Heavy Equipment Operator and the reduction of non-personal/equipment funds. A recent management analysis indicated that this solution was both beneficial and met the long-term labor needs of this aspect of the treatment process. (Ongoing savings: $13,405)

Performance Results:
No impacts to current performance levels are anticipated as a result of this action.

2. Central Service Yard Consolidation		**(15,000)**	**0**

This action generates city-wide vehicle maintenance and operations cost savings totaling $291,925 ($237,914 in the General Fund), resulting from the relocation and consolidation of both the Fire and West Yard fleet maintenance operations to the Central Service Yard. As a result of these consolidations, efficiencies will be realized, which will enable the Department to reduce costs without impacting service levels. Three vacant positions in the General Services Department (1.0 Equipment Mechanic Assistant II, 1.0 Mechanic, 1.0 Assistant Fire Mechanic) will be eliminated. In order to maximize remaining resources and ensure that the consolidation does not deteriorate service levels, the General Services Department will institute a swing shift. In order to meet supervision needs on the swing shift, the addition of a Senior Mechanic Position is included. The cost savings in the Environmental Services Department Manage Wastewater Core Service is $15,000. (Ongoing savings: $15,000)

Performance Results:
No impacts to current performance levels are anticipated as a result of this action.

3. Treatment Plant Equipment Replacement		**1,100,000**	**0**

This action funds the replacement of several large pieces of industrial equipment and maintenance vehicles that have exceeded their beneficial years of service. The replacement of the items will ensure sufficient resources for Plant personnel to operate and maintain the sewage treatment process. These items include dredges, booster pumps, a vactor truck, and other facility specific vehicles and equipment. (Ongoing costs: $0)

Performance Results:
Cost Reduces maintenance costs on equipment that has exceeded its useful life and ensures an available fleet for operations and maintenance.

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
RELIABLE UTILITY INFRASTRUCTURE (CONT'D.)			
4. Treatment Plant Capital Project Delivery	**4.00**	**386,092**	**0**

This action funds the addition of 2.0 Associate Engineers, 1.0 Senior Engineering Technician, and 1.0 Associate Engineering Technician, to provide long-term support for Plant CIP projects that are expected to more than double in number and total expenditures in the five-year CIP period. The additional engineers will provide in-house design for smaller projects and project management for the growing number of larger projects as described in the Capital Budget. The technicians will also support the increased number of projects, as well as provide the drafting support required for in-house designed projects and record drawings after project construction. (Ongoing costs: $436,525)

Performance Results:
Cost Reduces labor hour costs per work order by efficiently and effectively addressing current and future capital maintenance, rehabilitation, and improvement projects.

5. Treatment Plant Maintenance Staffing Training and Safety	**1.00**	**80,417**	**0**

This action funds the addition of 1.0 Analyst position to establish, manage, and oversee an enhanced mechanical training program and augment the Industrial Safety Program. This position is an enhancement of the Department's current trades training in that this position is assigned directly to the Plant's maintenance section to work on a daily basis within the trades groups in order to develop policies and practices that ensure the Plant's full compliance with Cal-OSHA standards and ongoing training needs. (Ongoing costs: $109,308)

Performance Results:
Quality Ensure the Treatment Plant's full compliance with Cal-OSHA standards.

6. Treatment Plant Pilot Operator Certification Incentive Program		**50,000**	**0**

This action funds a pilot program that rewards operators at the Plant for voluntarily achieving a higher level of certification for wastewater treatment as regulated by the State of California. By providing an incentive, greater numbers of operators will obtain higher certification to address an increase in expected retirements as well as to maintain a higher level of recognized industry specific knowledge. This action is subject to the meet and confer process. (Ongoing costs: $0)

Performance Results:
Quality Ensure the Treatment Plant's full compliance with State regulations and provide sufficient accredited staff.

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
RELIABLE UTILITY INFRASTRUCTURE (CONT'D.)			
7. Diesel-Powered Vehicles Retrofit		**14,500**	**0**

This action provides funding for the Fleet Management Division of the General Services Department to retrofit one truck in the Environmental Services Department fleet in order to reduce emissions. This funding is necessary as a result of recent State legislation requiring that public agencies and utility companies retrofit their entire fleet of on-road, heavy-duty, diesel-fueled vehicles by the end of 2011. This funding, along with funding to retrofit 27 diesel-fueled vehicles in other City departments, will bring 40% of the City's fleet into compliance in 2008-2009. (Ongoing costs: $0)

Performance Results:
Quality This action will reduce emissions produced by the City's on-road, heavy-duty, diesel fleet, thus producing less pollution.

HEALTHY STREAMS, RIVERS, MARSH AND BAY			
8. Fats, Oils, and Grease (FOG) Program Expansion	**3.00**	**465,385**	**0**

This action funds the addition of 3.0 Environmental Inspectors, three vehicles, and related non-personal/equipment and shifts funding for 4.0 Environmental Inspector positions from the Sewer Service and Use Charge Fund (541) to the San José/Santa Clara Treatment Plant Operating Fund (513), to expand FOG program implementation from San José facilities to facilities throughout the service area of the Water Pollution Control Plant. These resources are necessary to comply with Regional Board requirements. (Ongoing costs: $401,017)

Performance Results:
Quality Ensures that the City and the other cities serviced by the Plant are in compliance with regulatory requirements.

9. Pretreatment Program Staffing	**1.00**	**138,856**	**0**

This action funds the addition of 1.0 Environmental Inspector, associated non-personal/equipment costs, and a vehicle, to ensure adequate staffing to address the increased demands of implementing increased sampling frequencies for specific companies and an aggressive staff-training program related to commercial and industrial inspection activities, while still implementing routine program activities and maintaining customer compliance. These resources are necessary to comply with the 2005 EPA Administrative Order and the Plant NPDES permit requirements. (Ongoing costs: $116,098)

Performance Results:
Quality Ensures that the City is in compliance with the NPDES permit responsive to the 2005 EPA Administrative Order.

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
HEALTHY STREAMS, RIVERS, MARSH AND BAY (CONT'D.)			
10. Pollution Prevention Program Expansion		**103,725**	**0**

This action funds the addition of 1.0 Staff Specialist, partially offset by the deletion of a Plant Attendant and additional non-personal/equipment funding to address the increased demands of expanding the Pollution Prevention program to incorporate a Dental Mercury Reduction program and pilot Pharmaceutical Collection program to serve the Water Pollution Control Plant tributary area. This program expansion addresses upcoming regulations tied to the Regional Water Quality Control Board's San Francisco Bay Total Maximum Daily Load determinations for specific pollutants as well as emerging water quality threats. (Ongoing costs: $100,919)

Performance Results:
Quality Ensures that the City is in compliance with the NPDES permit and reduces the risk of pollution from the Treatment Plant to the Bay.

2008-2009 Adopted Core Service Changes Total	**10.00**	**2,295,796**	**0**

Environmental and Utility Services CSA

Core Service: Protect Natural and Energy Resources

Environmental Services Department

Core Service Purpose

Promote enhanced air quality, environmentally responsible land use, and conservation of water and energy resources.

Key Operational Services:

- ❑ Manage Green Building Program
- ❑ Implement Sustainable Energy Practices
- ❑ Promote Improved Air Quality
- ❑ Development Review and Land Use Policy Implementation
- ❑ Protect and Monitor Groundwater Quality
- ❑ NPDES Permits Development
- ❑ Habitat Protection
- ❑ Urban Environmental Accords
- ❑ Environmentally Preferable Procurement Policy
- ❑ Water Conservation

Performance and Resource Overview

This core service focuses on the City's contributions to protecting and conserving air, land, water, and energy. In its other five core services, the Environmental Services Department accomplishes its mission and practices environmental leadership through the services it provides. In this core service, direct services are more limited and the focus is on practicing leadership through policy development, education, influence, finding supporting grants, and coordination.

Guiding Policies

The work of this core service is supported and guided by two key documents: the City's Green Vision and the Urban Environmental Accords. In November 2005, the City became a signatory to the Urban Environmental Accords, which were generated at the 2005 United Nations Environment Day. Consisting of 21 Actions in seven different areas such as water and energy conservation and waste reduction, the Accords offer a framework for the City to track and reduce its environmental impacts and improve the quality of life for its residents. Many of the Actions focus on areas more specifically addressed in the City's Green Vision, adopted in October 2007.

Energy Efficiency and Renewable Energy

Energy supply, reliability, and costs continue to be a concern. As part of the Sustainable Energy Policy, San José is increasing its efforts to pursue energy efficiency in City operations. In particular, as part of Mayor and Council direction, the potential use of renewable or solar energy on City facilities is being assessed and explored.

Performance and Resource Overview (Cont'd.)

Energy Efficiency and Renewable Energy (Cont'd.)

The City has been the recipient of two awards from the Department of Energy's Solar America Initiative—one that has provided technical assistance to the City for a comprehensive assessment of the solar potential on eight City facilities, and the other a "Solar City" Award that will assist the City in developing a community-wide plan for solar development. Both of these activities will contribute to successful achievement of the Green Vision Goal #3, ensuring that 100% of the City's electricity is from renewable resources.

The City will continue its partnership with PG&E and the California Public Utilities Commission through the Silicon Valley Energy Watch Program. In 2007-2008, this Program provided targeted energy education and outreach services in the South Bay/Silicon Valley region and will continue to do so in 2008-2009.

The City has proposed a 2009-2011 City of San José/Silicon Valley Energy Watch partnership with PG&E. That partnership will focus on delivering cost-effective, persistent, and comprehensive energy savings; providing sustainable, reliable, and affordable energy resources; and reducing climate change risks and emissions. The proposed program would also collaborate with governments (local as well as State and federal agencies), the California energy efficiency industry, academia, and local stakeholders to maximize program penetration.

Sustainable (Green) Building

In 2001, the City demonstrated its national leadership by adopting a Green Building Policy. On March 6, 2007, Council adopted an amended Green Building Policy which laid out specific mandates for City and San José Redevelopment Agency (SJRA) facilities and encouraged green buildings in the private sector. The 2007 Green Building Policy states that "the City shall provide leadership and guidance to encourage the application of green building practices in private sector planning, design, construction, management, renovation, operations, and demolition of buildings and encourage the highest practicable level of building certification under the United States Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) program." A Green Building Steering Committee has been established to coordinate interdepartmental issues and facilitate implementation of the City's Green Building Program.

On October 1, 2007, the City Council and Transportation and Environment Committee adopted guidelines to provide clear implementation direction for the Green Building Policy for City and SJRA facilities, including appropriate outreach, oversight, and accountability throughout the process. As part of the Policy implementation, staff will identify opportunities for LEED certification for all existing buildings that are owned or managed by the City or the SJRA. City Hall is the first of the City buildings to undergo the process to become certified as a green building through the USGBC LEED-Existing Building: Operations and Maintenance rating system. The team is in the final stages of ensuring all data required has been collected and verified as required for the USGBC certification submittal.

Performance and Resource Overview (Cont'd.)

Sustainable (Green) Building (Cont'd.)

Recently, the City committed to active participation in the USGBC's pilot Portfolio Program, a voluntary partnership program for leading owners, tenants, and managers in the green building movement. As a member of the pilot program, the City seeks to implement immediate and measurable actions that improve the environmental performance of its portfolio of buildings. This enterprise-wide approach to green building is anticipated to have significant financial benefits in addition to minimizing the environmental impact of the City's operations.

Environmentally Preferable Procurement Policy

In March 2007, the City Council and Transportation and Environment Committee approved a revised Environmentally Preferable Procurement Policy and the staff report on progress made in its implementation. In addition to its support of buying products with recycled content, the new Policy includes language to support implementation of the Urban Environmental Accords (e.g. providing locally grown organic food in City facilities and addressing vehicle emissions for fleet purchases) and the Green Building Policy (by ensuring that all new City-funded buildings and major renovations utilize sustainable materials and building systems). Purchasing appropriate building materials and systems will help facilitate future LEED certification. An implementation team, consisting of staff from several City departments, has developed a multi-year workplan and is in the process of implementing it.

Water Conservation

The Water Efficiency Program is continuing to reduce wastewater flows to the Treatment Plant by managing programs that reduce water demand. Flows to the Plant remain below the trigger of 120 million gallons per day, and in 2006-2007, water conservation achieved approximately 378,000 gallons per day of water savings in the Plant service area. A city-wide water conservation plan is being finalized and will be implemented over the next three years.

The cost sharing partnerships with the Santa Clara Valley Water District (District) on indoor water conservation programs leverages funds, thus achieving increased water conservation with fewer dollars. Cost sharing programs include: rebates for high efficiency toilet and washer retrofits; the Neighborhood Preservation Water Conservation Program, which provides financial assistance to low-income San José residents (identified under the City's Neighborhood Preservation Ordinance) who upgrade their landscapes using water conserving landscape materials and plants; and information on water efficient practices and water conservation to residents and businesses in the Plant service area. The City is maintaining its contribution to District programs over the next year.

The performance measure "% of annual goal achieved for gallons of water conserved tributary area-wide" and the Activity and Workload Highlight "Millions of gallons per day conserved (tributary area-wide)" are estimated to end the year above the target levels.

Performance and Resource Overview (Cont'd.)

Protect Natural and Energy Resources Performance Summary	2006-2007 Actual	2007-2008 Target	2007-2008 Estimated	2008-2009 Target
(Energy) % of energy conserved in City facilities	27%	16%	20%	22%
(Energy) % of new City facilities incorporating the Green Building Guidelines implementation goal as adopted by Council (LEED certification)	100%	100%	100%	100%
(Air) % of City vehicles using alternative fuels or Ultra-Low Emission Vehicles	11%	36%	36%	37%
(Water) % of annual goal for gallons of water conserved tributary area-wide	200%	100%	150%	100%
(Land) % of Notice of Violations resolved to the satisfaction of the regional body	100%*	100%	100%	100%
(Water) Net cost per gallon per day of water conserved through City programs**	$1.30	$2.10	$2.10	$2.10
# of Actions completed or commenced	16	21	21	21
# of Commodities procured by the City replaced by Environmental preferable alternatives	1	2	2	5
(Water) % of residents demonstrating water conservation knowledge	30%	30%	NA***	35%

Changes to Performance Measures from 2007-2008 Adopted Budget: No

* No notices were issued in 2006-2007.

** Cost per gallon per day of water conserved is artificially low for 2006-2007 because the total savings in 2006-2007 was unusually higher than expected.

*** Data for this measure will come from the 2008 Water Focus Survey, which will be conducted in summer 2008.

Activity & Workload Highlights	2006-2007 Actual	2007-2008 Forecast	2007-2008 Estimated	2008-2009 Forecast
Millions of gallons per day conserved (tributary area-wide)	0.378	0.150	0.259	0.200
Cumulative millions of gallons per day conserved since July 1992 (tributary area-wide)	8.04	7.623	8.30	8.50
Number of UN Accords Implemented (of 21 total)	NEW	3	2	2

Changes to Activity & Workload Highlights from 2007-2008 Adopted Budget: No

Performance and Resource Overview (Cont'd.)

Protect Natural and Energy Resources Resource Summary	2006-2007 Actual 1	2007-2008 Adopted 2	2008-2009 Forecast 3	2008-2009 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 506,978	$ 786,661	$ 502,930	$ 730,213	(7.2%)
Non-Personal/Equipment	767,974	2,152,679	2,000,884	2,270,860	5.5%
Total	**$ 1,274,952**	**$ 2,939,340**	**$ 2,503,814**	**$ 3,001,073**	**2.1%**
Authorized Positions	**3.86**	**5.86**	**4.23**	**5.23**	**(10.8%)**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
SAFE, RELIABLE AND SUFFICIENT WATER SUPPLY			
1. Energy Watch Grant Program		**188,560**	**188,560**

This action recognizes the third year of a three year grant from PG&E for the Energy Watch Program. These funds will be used to support the continuation of a temporary Environmental Services Specialist position and supporting non-personal/equipment expenditures to provide targeted energy education and outreach services within the South Bay/Silicon Valley. (Ongoing costs: $0)

Performance Results: N/A (Final Budget Modification)

2. Water Conservation Program Staffing	**1.00**	**104,657**	**0**

This action provides ongoing funding for the addition of 1.0 Environmental Services Specialist for the Water Conservation Program, to ensure implementation of the City policies to reduce wastewater flows to protect San Francisco Bay and preserve the salt marsh habitat of the Bay; and to ensure the best and most efficient use of water. (Ongoing costs: $114,944)

Performance Results:
Quality Reduction of wastewater flows to the San José/Santa Clara Water Pollution Control Plant; reduction of water and energy consumption in the Plant service area and city-wide; and achievement of at least two of the UN Environmental Accords (Action #19 to conserve water and Action #20 to protect drinking water sources and ecosystems).

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
SAFE, RELIABLE AND SUFFICIENT WATER SUPPLY (CONT'D.)			
3. Rebudget: Energy Watch Grant		**162,900**	**162,900**
This rebudget of unexpended 2007-2008 funds will allow for the continued support of the Energy Watch Program using dedicated PG&E grant funding. (Ongoing costs: $0)			
Performance Results: N/A (Final Budget Modification)			
4. Rebudget: Silicon Valley Energy Partnership Grant		**22,000**	**22,000**
This rebudget of unexpended 2007-2008 funds will allow for the completion of the Silicon Valley Energy Program using dedicated grant funding. (Ongoing costs: $0)			
Performance Results: N/A (Final Budget Modification)			
5. Rebudget: Clean Cities Coalition Grant		**9,942**	**9,942**
The rebudget of unexpended 2007-2008 funds will allow the department to continue efforts with the Clean Cities Coalition. (Ongoing costs: $0)			
Performance Results: N/A (Final Budget Modification)			
6. Rebudget: AAA Greenlight Initiative Grant		**9,200**	**9,200**
The rebudget of unexpended 2007-2008 funds will allow the department to continue efforts with the AAA Greenlight Initiative Program. (Ongoing costs: $0)			
Performance Results: N/A (Final Budget Modification)			
2008-2009 Adopted Core Service Changes Total	**1.00**	**497,259**	**392,602**

Core Service: Sanitary Sewer Maintenance

Transportation Department

Core Service Purpose

To provide timely and effective cleaning and repair of the sanitary sewer collection system to ensure uninterrupted sewage flow to the Water Pollution Control Plant.

Key Operational Service:

- Maintain Sanitary Sewer System

Performance and Resource Overview

The Sanitary Sewer Maintenance Core Service's primary goal is to ensure proper sanitary sewage flow while minimizing blockages and other system malfunctions that may have significant health or property damage impacts. The core service includes all maintenance and operational activities necessary to sustain the 2,200-mile collection system. This core service contributes primarily to the Environmental and Utility Services CSA Outcome: *Reliable Utility Infrastructure.*

Sanitary Sewer Maintenance has consistently performed well over the years, and 2007-2008 was no exception. The percentage of sewer line segments that have been unobstructed remains high, with 98% estimated to have remained clear. This is due to staff's ability to identify the high priority areas and perform more effective preventive maintenance at those locations. Staff's ability to resolve system obstructions within four hours remains at 87%, and approximately 500 miles of sewer lines will be proactively cleaned by year-end. Staff is also proactively working with the community to inform them of self-prevention methods to assist in further reducing the number of blockages and backups.

In 2007-2008, an estimated 50% of all in-house repairs were completed within established time guidelines. A new methodology will be implemented in 2008-2009 for this measure to better distinguish the categories of maintenance and repairs. The previous methodology averaged all of the repair activities together regardless of priority or urgency. The new methodology will report on three separate categories based upon priority. While no historical data is available for the new categories, the targets have been set based upon recent performance and the need to address emergencies immediately.

The purchase of two new specialized combination cleaning trucks (commonly known as Vactor trucks) will bring the Vactor fleet total to 11. A Vactor requires only two workers to perform sewer activities compared to three or more workers with other equipment. With a fleet of 11 Vactors, existing staff will be able to increase the performance and reliability of the sanitary sewer system by preventatively maintaining an additional 100 miles (a 27% increase). This will result in fewer sewer blockages and overflows, improve the reliability of the sewer system, and the City will also better meet environmental and regulatory requirements. Finally, a fleet of 11 Vactors will allow the City to

achieve a complete sanitary sewer cleaning cycle of approximately six years. While this is a significant improvement over the current 13-year cycle, it does not compare favorably to other jurisdictions within the Bay Area that have achieved a two to three-year cycle. The long term plan is to replace all of the older cleaning equipment with Vactors which would bring the fleet to 14 and should also improve the sanitary sewer cleaning cycle.

In addition to performing sewer line cleaning and repairs, the sanitary sewer staff performs other activities to sustain a functioning system. System performance and deficiencies are monitored through video and physical inspection. Engineering staff investigate and mitigate chronic blockages and unacceptable sewer odors and take measures such as chemical injection, sealing off the emission holes (forcing foul air to flow through bio-filters for treatment), and using ferrous chloride to reduce odor-causing sulfides. Caustic soda is also used during the hot summer months to prevent odors. Thirteen pump stations, two soil-bed bio-filters, and one chemical injection station are also managed to ensure the sanitary sewer system operates properly.

The sanitary sewer system is aging and the number and magnitude of repairs is increasing. Major repairs and rehabilitations are referred to the Sanitary Sewer System Capital Program that is managed by the Department of Public Works. In recognition of the system's declining condition and the City Council's attention to neighborhood services, additional emphasis is being given to the study, design, and implementation of neighborhood sanitary sewer rehabilitation projects over the next five years to improve the reliability of the system. In addition, the Department of Transportation and the Department of Public Works are collaboratively preparing a "Sanitary Sewer Condition Assessment Study" in 2008-2009. The study will establish the ground work for identifying funding needs and priorities for setting rates, develop a comprehensive sewer preventive maintenance program, develop a database identifying system condition that would integrate with the City's geographic information system, and evaluate other funding initiatives. The study would also set guidelines on how to prioritize the sewer rehabilitation (corrective maintenance) program, increase capacity, and reduce sewer overflows. The recommendations from the study will be utilized in more efficient and effective maintenance planning solutions.

Finally, in 2008-2009, staff will continue working in conjunction with the California Regional Water Quality Control Board to develop a comprehensive Sewer System Management Plan (SSMP). The SSMP will take advantage of regionally developed best practices, streamline reporting processes, and update policy and procedures for maintenance and operations, inspection, and capital improvements to improve the City's overall performance. This effort should result in fewer blockages and sanitary sewer overflows. The City is on schedule to complete the SSMP by the August 2008 deadline.

Performance and Resource Overview (Cont'd.)

Sanitary Sewer Maintenance Performance Summary	2006-2007 Actual	2007-2008 Target	2007-2008 Estimated	2008-2009 Target
% of sewer line segments without obstruction	98%	98%	98%	98%
Sanitary Sewer cost to budget ratio	1.00	1.00	1.00	1.00
% of blockages cleared within 4 hours of notification	89%	90%	87%	90%
% of in-house repairs completed within established time guidelines:				
- Priority A: Service completely severed. Temporary service – 24 hours; final repairs – 48 hours	NEW	NEW	NEW	100%
- Priority B: Service exists at a limited capacity. Final repair – 20 days	NEW	NEW	NEW	70%
- Priority C: Future service impact identified. Corrective actions – 90 days	NEW	NEW	NEW	30%
% of customers rating services good or better based upon timeliness and effectiveness (rating of 4 or greater on a 1 – 5 scale)	97%	95%	97%	97%

Changes to Performance Measures from 2007-2008 Adopted Budget: Yes[1]

[1] Changes to Performance Measures from 2007-2008 Adopted Budget:
↻ "% of in-house repairs completed within established time guidelines" was revised to include "Priority A: Service completed severed. Temporary service – 24 hours; final repairs – 48 hours, Priority B: Service exists at a limited capacity. Final repair – 20 days, and Priority C: Future service impact identified. Corrective actions – 90 days" because reporting on three categories more accurately reflects response times and adds clarity to the performance measure.

Activity & Workload Highlights	2006-2007 Actual	2007-2008 Forecast	2007-2008 Estimated	2008-2009 Forecast
Miles/number of sewer line segments	2,200/48,000	2,200/48,000	2,200/48,000	2,200/48,000
Miles of sanitary sewer lines cleaned	526	500	500	550*
Number of sanitary sewer main line stoppages cleared	705	800	800	800
Miles of sanitary sewer lines inspected by video	50	45	48	48

Changes to Activity & Workload Highlights from 2007-2008 Adopted Budget: No

* The purchase of additional Vactor trucks will allow staff to preventatively maintain an additional 100 miles; however, the number of miles in 2008-2009 will not fully reflect the additional 100 miles because the delivery of the new Vactor trucks will take approximately 6-8 months.

Core Service: Sanitary Sewer Maintenance

Transportation Department

Performance and Resource Overview (Cont'd.)

Sanitary Sewer Maintenance Resource Summary	2006-2007 Actual 1	2007-2008 Adopted 2	2008-2009 Forecast 3	2008-2009 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 6,431,482	$ 8,007,516	$ 8,523,184	$ 8,491,654	6.0%
Non-Personal/Equipment	2,379,405	3,564,689	2,479,689	3,171,689	(11.0%)
Total	**$ 8,810,887**	**$ 11,572,205**	**$ 11,002,873**	**$ 11,663,343**	**0.8%**
Authorized Positions	**89.85**	**89.85**	**89.85**	**89.55**	**(0.3%)**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
RELIABLE UTILITY INFRASTRUCTURE			
1. Central Service Yard Consolidation		**(8,000)**	**0**

This action generates city-wide vehicle maintenance and operations cost savings totaling $291,924 ($237,914 in the General Fund), resulting from the relocation and consolidation of both the Fire and West Yard fleet maintenance operations to the Central Service Yard. As a result of these consolidations, efficiencies will be realized, which will enable the Department to reduce costs without impacting service levels. Three vacant positions in the General Services Department (1.0 Equipment Mechanic Assistant II, 1.0 Mechanic, 1.0 Assistant Fire Mechanic) are approved to be eliminated. In order to maximize remaining resources and ensure that the consolidation does not deteriorate service levels, the General Services Department will institute a swing shift. In order to meet supervision needs on the swing shift, the addition of a Senior Mechanic Position is also included. The cost savings in the Department of Transportation, Sanitary Sewer Maintenance Core Service is $8,000. (Ongoing savings: $8,000)

Performance Results:
No impacts to current performance levels are anticipated as a result of this action.

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
HEALTHY STREAMS, RIVER, MARSH AND BAY			
2. Sanitary Sewer Maintenance Staffing	**(0.30)**	**(31,530)**	**0**

This action will eliminate 0.30 of a vacant Analyst II in the Sanitary Sewer Maintenance division in the Department of Transportation that has been vacant since February 2006. The ongoing service level impact, which has already been realized, is fewer opportunities to identify improvements that may increase performance in this service area. There are corresponding actions in the Storm Sewer Management Core Service section in the Environmental and Utility Services CSA and the Pavement Maintenance Core Service section in the Transportation and Aviation Services CSA. (Ongoing savings: $31,530)

Performance Results:
Quality, Customer Satisfaction Reduced service levels will continue in identifying, building, and implementing efficiency models.

3. Sewer Maintenance Equipment		**700,000**	**0**

This action will provide one-time funding for two additional Vactor trucks for the Sanitary Sewer Maintenance division in the Department of Transportation. Vactor trucks enable staff to be more efficient in cleaning sewer lines and responding to overflows. Vactor trucks require only two workers, and the cleaning and extraction process is automated by the equipment and requires minimal physical labor from staff, reducing the potential for injuries. The result is that the cleaning process is faster and safer, and each crew can address 25% more lines of sewer per day. The addition of two Vactor trucks will allow the existing workforce to improve the sewer system cleaning cycle from once every 13 years to once every six years. (Ongoing costs: $0)

Performance Results:
Quality Staff will be more efficient in cleaning sewer lines and responding to overflows. ***Cycle Time*** The routine schedule of sewer system cleaning will decrease from the current 13 year cycle to a six year cycle.

2008-2009 Adopted Core Service Changes Total	**(0.30)**	**660,470**	**0**

Core Service: Storm Sewer Management

Transportation Department

Core Service Purpose

To maintain and operate the storm sewer system in a way that ensures proper flow and is environmentally sensitive to the regional water tributary system and to the South San Francisco Bay.

Key Operational Services:

- ❑ Maintain Storm Sewer System
- ❑ Provide Street Sanitation
- ❑ Manage Stormwater Pollution Control

Performance and Resource Overview

Storm Sewer Management includes preventive cleaning of the storm sewer system, as well as timely responses to storm emergency needs. Inspection, cleaning, and repair of storm sewer inlets, outfalls, pump stations, and retention basins help to prepare the City for each storm season and are necessary to meet non-point source pollution control objectives. This core service contributes primarily to the Environmental and Utility Services CSA Outcomes: *Reliable Utility Infrastructure* and *Healthy Streams, Rivers, Marsh and Bay.*

Storm Sewer System

The Department of Transportation is responsible for maintaining the City's 1,250 miles of storm sewer lines and 29,000 storm inlets. As a result of the Department's proactive annual storm inlet cleaning program, all storm inlets city-wide were cleaned of debris between October 2007 and February 2008. In addition, a second round of cleaning was performed in the Alviso community which is more prone to flooding due to its proximity to the Bay. Cleaning the storm inlets prevents harmful pollutants, metals, and debris from entering the waterways and eventually the Bay. The program also greatly reduces the number of storm inlets that become blocked during storm events that can cause local ponding or flooding, and 99% of inlets were without obstruction. Rainfall in 2007-2008 was approximately 20% below normal levels through March, but storms did produce some problems especially around the beginning of the new year. The City experienced approximately 900 plugged storm inlets in 2007-2008, with 81% of them cleared with 24 hours.

In addition to cleaning the storm inlets, the Department of Transportation maintains and operates 25 storm water pump stations, many of which are aging and in need of rehabilitation, and an additional storm pump station is expected to be added by summer 2008. 2007-2008 was the fourth year of a multi-year program to address the aging storm sewer infrastructure by replacing or rehabilitating the oldest and least reliable pump stations to reduce the risk of flooding. Rehabilitation projects on both the Bird and Alma pump stations were completed in 2007-2008 as a part of this program. The program will continue to provide pump station upgrades with a fifth year

Performance and Resource Overview (Cont'd.)

Storm Sewer System (Cont'd.)

of funding in 2008-2009, but no further funding is currently programmed. At a minimum, two more years of funding are required to address the River Oaks Station and the third phase of the Oakmead Station rehabilitation. Staff has also identified two additional stations (Gateway and Taylor) that are in need of rehabilitation due to age.

Street Sanitation

The City of San José provides street sweeping services using contractual and City crews for 3,985 curb miles of residential streets, arterial roadways, bikeways, and in the Central and Neighborhood Business Districts. The Environmental Services Department and the Department of Transportation combine efforts to manage, implement, and inspect the Street Sweeping program.

In the most recent Recycle Plus Tracking survey performed in spring 2007, 75% of residents responded that they were satisfied with street sweeping services, which is down 4% from the 2005 survey. Unfortunately, this survey was taken near the end of the previous sweeping agreement and the vendor had equipment at the end of its useful life that frequently broke down, and brooms were not replaced as frequently as necessary. In addition, vacancies in inspection staffing reduced the ability to enforce the contract requirements. In 2007-2008, staff was reallocated to increase street sweeping inspection, which has provided greater oversight of the vendor. It has also resulted in over 1,500 requests to property owners to trim their street trees that were interfering with the sweepers' ability to get close enough to the curb to effectively sweep the street and gutters. The new vendor provides excellent customer service and responds quickly to inspector requests to re-sweep streets when necessary, their equipment is new, and they provide more effective maintenance on their sweepers.

DOT has installed 180 miles of parking prohibitions in an effort to improve sweeping effectiveness by not allowing cars to park during sweeping on sweep day. An additional 20 miles of parking prohibitions will be added in 2008-2009 which will complete the original 200 mile program. Staff has received requests for an additional 80 miles of parking prohibitions and estimates that there is an additional 100 miles of no parking signage that would increase the effectiveness of the sweeping program.

City staff sweep 2,000 miles of streets each month on arterials, collectors, bicycle lanes, and in the Central and Neighborhood Business Districts. Three of the existing City-owned sweepers were permanently taken out of service for safety reasons in March 2008. One-time funding of $700,000 for replacement of those three sweepers is included in this budget.

Performance and Resource Overview (Cont'd.)

Stormwater Pollution

The Department of Transportation works closely with the Environmental Services Department to ensure compliance with the City's Urban Runoff Management Plan and the National Pollutant Discharge Elimination System (NPDES) permit that allows the City to discharge water into South San Francisco Bay. Currently, the Water Board is negotiating the Municipal Regional Permit (MRP) with a coalition of 78 cities and public agencies throughout the Bay Area. This permit, when adopted, would dictate storm water discharge regulations for all members of the coalition and would have significant cost implications on how the City operates and maintains the storm drains. For example, the proposed mandates on methods and frequency of inlet cleaning require this activity to be performed twice a year instead of the current practice of once a year before the storm season. The existing workforce would be unable to accommodate this increased workload and additional staff (estimated costs of $650,000) and equipment (estimated costs of $1,000,000) would be required in order for the City to meet compliance. Cost increases are also anticipated for the other maintenance programs designed to improve storm water runoff quality. The Department is working with CSA partners to ensure that resources are requested and allocated as necessary to meet the new mandates upon approval of the MRP. It is expected that the MRP will be adopted within the next year.

Storm Sewer Management Performance Summary	2006-2007 Actual	2007-2008 Target	2007-2008 Estimated	2008-2009 Target
% of storm sewer inlets without obstruction	99%	95%	99%	95%
% of streets rated clean (4 or greater on a 1 – 5 scale)	82%	82%	82%	82%
Storm Sewer Management Cost to Budget Ratio	1.00	1.00	1.00	1.00
% of storm sewer inlet blockages cleared within 24 hours	69%	70%	81%	70%
% of customers rating street sweeping services good or better based upon effectiveness and satisfaction with street appearance (4 or greater on a 1 – 5 scale)	75%	80%	75%	80%

Changes to Performance Measures from 2007-2008 Adopted Budget: No

Core Service: Storm Sewer Management

Transportation Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2006-2007 Actual	2007-2008 Forecast	2007-2008 Estimated	2008-2009 Forecast
Miles/number of storm sewer segments	1,250/25,500	1,250/25,500	1,250/25,500	1,250/25,500
Number of storm sewer inlets	29,000	29,000	29,000	29,000
Number of storm sewer inlet stoppages identified and cleared	469	1,500	900*	1,500**
Number of residential curb miles swept	65,900	66,000	66,000	66,000
Number of roadway debris removals	2,819	5,000	4,500	5,000
Thousands of tons of sweeping debris collected	12.50	13.00	8.50	10.00

Changes to Activity & Workload Highlights from 2007-2008 Adopted Budget: No

* The number of storm sewer inlet stoppages identified and cleared were lower in 2007-2008 due to a dry season.

** The number of plugged inlets for 2008-2009 is assumed to be higher under the assumption of having a normal year for rain.

Storm Sewer Management Resource Summary	2006-2007 Actual 1	2007-2008 Adopted 2	2008-2009 Forecast 3	2008-2009 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 3,903,504	$ 4,826,883	$ 4,768,025	$ 4,828,684	0.0%
Non-Personal/Equipment	2,116,410	2,071,177	2,039,413	2,955,213	42.7%
Total	**$ 6,019,914**	**$ 6,898,060**	**$ 6,807,438**	**$ 7,783,897**	**12.8%**
Authorized Positions	**53.44**	**51.69**	**47.94**	**48.54**	**(6.1%)**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
RELIABLE UTILITY INFRASTRUCTURE			
1. Central Service Yard Consolidation		**(8,000)**	**0**

This action generates city-wide vehicle maintenance and operations cost savings totaling $291,924 ($237,914 in the General Fund), resulting from the relocation and consolidation of both the Fire and West Yard fleet maintenance operations to the Central Service Yard. As a result of these consolidations, efficiencies will be realized, which will enable the Department to reduce costs without impacting service levels. Three vacant positions in the General Services Department (1.0 Equipment Mechanic Assistant II, 1.0 Mechanic, 1.0 Assistant Fire Mechanic) are approved to be eliminated. In order to maximize remaining resources and ensure that the consolidation does not deteriorate service levels, the General Services Department will institute a swing shift. In order to meet supervision needs on the swing shift, the addition of a Senior Mechanic Position is also included. The cost savings in the Department of Transportation, Storm Sewer Management Core Service is $8,000. (Ongoing savings: $8,000)

Performance Results:
No impacts to current performance levels are anticipated as a result of this action.

HEALTHY STREAMS, RIVERS, MARSH AND BAY			
2. Street Landscape Maintenance	**(0.30)**	**(12,398)**	**0**

This action will eliminate 0.30 of vacant Maintenance Worker I positions, 1.20 filled positions (0.40 Maintenance Worker I, 0.15 Maintenance Worker II, 0.15 Senior Maintenance Worker, and 0.50 Tree Maintenance Leadworker), and shifts funding for 1.20 positions from the General Fund to the Storm Sewer Fund in the Department of Transportation. Fewer staff positions will be available to maintain median and frontage landscapes. Also, quarterly plant trimming, weed spraying/removal, and leaf removal will be impacted. This action will eliminate approximately one third of the current program staffing levels leaving the program to shift from proactive and aesthetics-related maintenance activities to a safety-related and complaint-driven program. There are corresponding actions in the Street Landscape Maintenance Core Service section in the Transportation and Aviation Services CSA, and the combined actions generate a total savings of $694,000. (Ongoing savings: $20,824)

Performance Results:
Quality, Customer Satisfaction The overall landscape condition is anticipated to decline from the current 60% to 40% in good or better condition as a result of these reductions. ***Cycle Time*** Timely responses to customer complaints or requests are estimated to decrease from 75% to 50% completed within 14 days.

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
HEALTHY STREAMS, RIVERS, MARSH AND BAY (CONT'D.)			
3. Storm Sewer Staffing	**(0.10)**	**(10,509)**	**0**

This action will eliminate funding for 0.10 of a vacant Analyst II in the Department of Transportation. The Analyst II position has been vacant since February 2006 and the ongoing service level impact, which has already been realized, that supported building and implementing efficiency models is fewer opportunities to identify improvements that may increase performance in this service area. There are corresponding actions in the Sanitary Sewer Core Service section in the Environmental and Utility Services CSA and the Pavement Maintenance Core Service section in the Transportation and Aviation Services CSA. (Ongoing savings: $86,731)

Performance Results:
Quality, Customer Satisfaction Reduced service levels in identifying, building, and implementing efficiency models will continue.

4. Street Sweeping Vehicles		**700,000**	**0**

This action will provide one-time funding to replace three street sweeping vehicles for the Storm Sewer Maintenance division in the Department of Transportation. The City street sweeping crews sweep major streets and arterial and collector streets including the Downtown area. This street sweeping prevents debris on arterial and collectors and bike lanes from flowing into the storm system and eventually into the Bay. In addition, it improves the appearance and health of the neighborhoods by removing rotting leaves and debris from the streets. The City currently owns seven street sweeping vehicles, two of which are in acceptable condition. The other five vehicles are older and obsolete with extremely high maintenance costs; furthermore, three of the five are 12 years old and have been out of service due to major safety issues with their compressed natural gas system. This action replaces these three street sweepers. (Ongoing costs: $0)

Performance Results:
Quality, Customer Satisfaction This action helps prevent the discharge of pollutants to the creeks and the further decrease in street sweeping performance.

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
HEALTHY STREAMS, RIVERS, MARSH AND BAY (CONT'D.)			
5. Tree Planting and Maintenance Funding Shift		**173,000**	**0**

This action will shift funding for the community-based organization, Our City Forest, from the General Fund to the Storm Sewer Fund in the Department of Transportation. Our City Forest provides services related to urban forestry in San José, which includes planting, establishing, and maintaining 1,200 trees. Furthermore, Our City Forest ensures the health of the trees which will mitigate the effects of potential leaf litter on storm drain maintenance and local water quality. (Ongoing costs: $173,000)

Performance Results:
No impacts to current performance levels are anticipated as a result of this action.

6. Expanded Street Sweeping Signage	**1.00**	**134,366**	**0**

This action will continue one-time funding to support a Maintenance Worker II position and associated non-personal/equipment funding for the seventh and final year to install signs prohibiting parking on street sweeping days on an additional 20 curb miles. The additional signs will be placed on streets that are severely impacted by parking. With additional parking restrictions posted, street sweeps will be more effective at cleaning neighborhood roads and preventing the flow of debris into the storm drain system and, ultimately, into area streams and the Bay. (Ongoing costs: $0)

Performance Results:
Quality Streets where new parking prohibition signage will be installed will achieve over 85% of parking compliance on sweep day, allowing for effective sweeping operations and resulting in clean streets. ***Customer Satisfaction*** This action enables the Department of Transportation to identify and install parking prohibition signs on additional streets where greater than 50% of curbs are blocked by parked cars on sweep day.

2008-2009 Adopted Core Service Changes Total	**0.60**	**976,459**	**0**

Strategic Support

Environmental Services Department

Strategic Support represents services provided within departments that support and guide the provision of the core services. Strategic Support within the Environmental Services Department includes:

Key Operational Services:

- Public Education
- Long Range Planning
- Employee Services
- Facility Management
- Financial Management
- Information Technology Services
- Clerical Support
- Materials Management

Performance and Resource Overview

Key initiatives in this area include management of the Environmental Services Department's special funds and rates, legislative research and advocacy, public education and outreach, and GIS mapping activities.

Strategic Support Resource Summary	2006-2007 Actual 1	2007-2008 Adopted 2	2008-2009 Forecast 3	2008-2009 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 6,687,339	$ 6,233,119	$ 6,461,211	$ 6,461,211	3.7%
Non-Personal/Equipment	1,248,245	1,446,873	1,436,553	1,367,350	(5.5%)
Total	**$ 7,935,584**	**$ 7,679,992**	**$ 7,897,764**	**$ 7,828,561**	**1.9%**
Authorized Positions	**59.00**	**59.00**	**57.82**	**57.82**	**(2.0%)**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds ($)	General Fund ($)
RELIABLE UTILITY INFRASTRUCTURE			
1. Telephone Communications Cost Efficiencies		**(69,203)**	**0**
This action generates ongoing city-wide telephone communications cost savings totaling $332,000 ($152,000 in the General Fund). The cost savings in the Environmental Service Department is $69,203. These reductions are made possible by efficiencies resulting from the routing of phone calls over combined voice/data lines over the Internet, a technology known as Voice over Internet Protocol (VoIP) that is more cost efficient than traditional phone systems that route calls over existing phone lines. Savings are also being achieved through lower departmental call levels. (Ongoing savings: $69,203)			
Performance Results: No changes to current service levels are anticipated with this reduction due to the technology efficiencies of VoIP.			
2008-2009 Adopted Strategic Support Changes Total	**0.00**	**(69,203)**	**0**

Strategic Support
Transportation Department

Provide the necessary direction and support to the department's core services by ensuring sound budget and fiscal services, hiring of quality new employees, development of a highly skilled and safe workforce, and implementation of useful and reliable information technology systems.

Key Operational Services:

- Budget and Financial Services
- Training and Safety
- Personnel
- Information Technology

Performance and Resource Overview

Strategic Support provides essential behind-the-scenes services that are necessary for the effective management of the Department's core services. By centralizing operational services such as budget and financial management, training and safety functions, personnel services, and information technology management, front-line staff are better able to provide quality services to the department's customers.

The Department of Transportation's strategic support staff provides a variety of services that support the outcomes in the Environmental and Utility Services CSA, including budget and financial services, training, safety, personnel, and information technology support. For more information on these services, including the Performance Summary and Activity and Workload Highlights, please see the narrative in the Strategic Support section of the Transportation and Aviation Services CSA section of this document.

Strategic Support Resource Summary	2006-2007 Actual 1	2007-2008 Adopted 2	2008-2009 Forecast 3	2008-2009 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 814,899	$ 845,598	$ 854,432	$ 922,008	9.0%
Non-Personal/Equipment	13,448	40,160	40,160	40,160	0.0%
Total	**$ 828,347**	**$ 885,758**	**$ 894,592**	**$ 962,168**	**8.6%**
Authorized Positions	**6.84**	**6.84**	**7.09**	**7.59**	**11.0%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds ($)	General Fund ($)
"CLEAN AND SUSTAINABLE" AIR, LAND AND ENERGY			
1. Environmental Sustainability Officer Staffing	**0.50**	**67,576**	**0**
2008-2009 Adopted Strategic Support Changes Total	**0.50**	**67,576**	**0**

This action will provide funding for one Associate Transportation Specialist in the Department of Transportation to lead an effort to improve the environmental sustainability of Transportation activities. This position will use in-depth and specialized knowledge of environmental and transportation issues as well as strong management skills to design and implement an overall plan that will ensure the Department meets or exceeds all environmental regulations, aggressively works towards reducing the environmental impacts of all aspects of the Department's work, and promotes these activities and practices in the community. In addition, this position will lead cooperative programmatic work teams comprised of multiple levels of staff throughout multiple departments in identifying and analyzing environmental threats generated by current practices, and develop and implement mitigation strategies including new policies and procedures for the department and City according to its needs and priorities. There is a corresponding action in the Strategic Support Core Service section in the Transportation and Aviation Services CSA. (Ongoing costs: $67,582)

Performance Results:
Quality This position will improve the sustainability of transportation activities, lessening the impact transportation operations and maintenance have on the environment.

Environmental and Utility Services CSA

City-Wide Expenses

Overview

The Environmental and Utility Services Program provides funding for basic utility services in a way that values the environment and makes it easy for residents and businesses to do the same.

Budget Summary

City-Wide Expenses Resource Summary*	2006-2007 Actual 1	2007-2008 Adopted 2	2008-2009 Forecast 3	2008-2009 Adopted 4	% Change (2 to 4)
Environmental and Utility Services	$ 1,361,253	$ 1,352,324	$ 809,580	$ 989,212	(26.9%)
Total	**$ 1,361,253**	**$ 1,352,324**	**$ 809,580**	**$ 989,212**	**(26.9%)**
Authorized Positions	**0.00**	**0.00**	**0.00**	**0.00**	**0.0%**

* For a complete listing of allocations for the Environmental and Utility Services Program, please refer to the City-Wide Expenses section of this document.

Budget Changes by Program

Adopted Program Changes	Positions	General Fund ($)
1. Creek Encampment Cleanups		**73,000**

As directed in the Mayor's June Budget Message, funding of $76,000 ($73,000 in City-Wide Expenses and $3,000 in the Housing Department) was approved to increase the number of homeless encampments cleanups along creeks from 10 to 14 per year. This additional allocation will contribute to the City's Green Vision goals and will maintain the health and livability of our community. (Ongoing costs: $0) (Final Budget Modification)

2. IDC Garbage Disposal Fees		**(196,000)**

This ongoing proposal reduces the City-Wide International Disposal Corporation (IDC) appropriation in the General Fund by $196,000 to reflect the reduction in garbage generated by City facilities as a result of new solid waste processing operations. (Ongoing savings: $196,000)

Budget Changes by Program (Cont'd.)

Adopted Program Changes	Positions	General Fund ($)
3. Miscellaneous Rebudgets		**302,632**
The rebudget of unexpended 2007-2008 funds will allow for the completion of the projects in 2008-2009 listed below. (Ongoing costs: $0) (Final Budget Modification)		
Energy Efficiency Program		234,632
Low Income Energy Assistance		68,000
2008-2009 Adopted Program Changes Total	**0.00**	**179,632**

Environmental and Utility Services CSA

General Fund Capital, Transfers, and Reserves

Budget Summary

General Fund Capital, Transfers, and Reserves *Environmental & Utility Services CSA* Resource Summary*	2006-2007 Actual 1	2007-2008 Adopted 2	2008-2009 Forecast 3	2008-2009 Adopted 4	% Change (2 to 4)
Transfers to Other Funds	$ 193,135	$ 0	$ 0	$ 0	0.0%
Total	**$ 193,135**	**$ 0**	**$ 0**	**$ 0**	**0.0%**
Authorized Positions	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

* For a complete listing of allocations for the Transfers to Other Funds Program for the Environmental and Utility Services CSA, please refer to the General Fund Capital, Transfers, and Reserves section of this document.

Budget Changes by Program

Adopted Program Changes	Positions	General Fund ($)
NONE		